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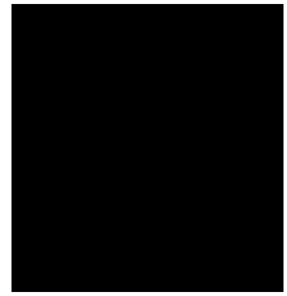
RM

Resource Management

3rd Quarter 1999 PB 48-99-3

Keeping pace amid worldwide change

A message
from the Assistant Secretary of the Army (FM&C)
Helen T. McCoy



Over the past five years, I've shared many plans with you about how Army financial management is changing. The theme of this issue, Keeping Pace Amid Worldwide Change, underscores the truism that the only thing constant is change itself. Inside, you'll see some good things we're doing in several very fluid situations overseas. Closer to home, we continue to focus on competency and quality of work.

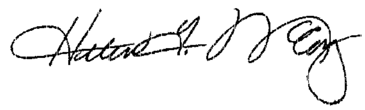
We have adapted commercial business practices, such as the Stored Value Card, which recently recorded its one millionth transaction at our training sites. We have set in motion a partnership to develop a Single Stock Fund, which will result in a new supply and financial management structure to better support Army commanders. We have made significant progress toward our goal of achieving auditable financial statements. We're not there yet, but we are moving closer to compliance with the Chief Financial Officers Act. And we have published a Chief Financial Officers Strategic Plan, which will serve as a roadmap into the future.

All of this was done as part of a collaborative effort with the Office of the Secretary of Defense, the other Services, the Office of Management and Budget, the General Accounting Office and the DoD Inspector General. We continue to work with the Private Sector Council, and we have strengthened our participation in the Conference Board's Chief Financial Officers Council.

We are working hard to develop the Multi-Disciplined Financial Analyst initiative, which will eventually encompass training, education, experience, professional development and accreditation at all career levels. We have partnered with OSD, our sister Services and the American Society of Military Comptrollers to develop the Defense Financial Management Certification Examination. And we recently met with experts and officials from several large corporations to examine some of their best business practices. By this multi-pronged approach, we are improving the way we do our work, changing the way we share the work, and equipping our people with the tools and knowledge to do the work.

Our top leadership has changed, as well. You'll see a new face on the Message from the PDASA page, just following. We welcome Erin Olmes as the new Principal Deputy. In July she succeeded Neil Ginnetti, who left last December. Our senior military member, MG Clair Gill, shares thoughts for the good of the order in his farewell Perspectives piece as Deputy Assistant Secretary for Budget. His successor, MG Jerry Sinn, rejoined us in August after two years' absence following his assignment as Director of Operations and Support in the budget office. We also recently hailed Judy Guenther as the new Director of Investment, replacing Maury Donnelly. Our new executive team is now fully on board.

Change can cause uncertainty, anxiety and concern. Change also gives us new opportunities to influence, shape and "own" our portions of the total mission. I encourage each of you who read this publication to be forthcoming with "What's On Your Mind," the new feature we started last issue. Better yet, give us your perspective on an issue or challenge by contributing an article for publication.



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RESOURCE MANAGEMENT

3rd Quarter '99 *"Keeping pace amid worldwide change"* PB48-99-3

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A message from the Principal Deputy Assistant Secretary of the Army (FM&C)

Erin J. Olmes

When the editor and I sat down to discuss this message, he reminded me of a story he'd heard a number of years ago about a young military wife who, while her husband was training in the field, had nothing available to read except his field manuals.

She quickly learned all her General Orders and knew not to walk the ridgeline of a hill lest she present the enemy a ready target.

None of this knowledge turned out to be very useful to her, but it did spark an interest in working for the Army — enough to apply for a job as a military pay clerk.

Although she worked hard and was rewarded with a few promotions, it didn't take long for it to dawn on her that the **really big** promotions came with credentials. So she began a three-pronged approach to improving her chances for the **really big ones**!

First, she realized that she needed a college education. She began slowly at first, taking one course at a time, then expanding to additional nights and weekends.

Then (after a quick calculation that to get a bachelor's degree would take until she was 45) she applied for a year's long term training and went straight to a master's degree.

Second, it seemed to her that the more areas in which one is qualified, the more chances there are for advancement; so, through a combination of promotions and lateral job assignments, she became qualified as a program analyst, a budget analyst and a management analyst.

Further, she figured if being in one career program was good, then being in two was even better and she promptly enrolled in both CP-11, Comptroller and CP-26, Manpower and Force Management.

Finally, she surmised that the more varied the people who knew her, the better would be her chances to progress. Therefore, she set out to gain as much experience in as many functional areas as possible. Besides finance, those areas included logistics; cost analysis; operations; personnel; and research, development, test and evaluation.

In case you haven't guessed, the editor was recalling the story of my career that I had shared with him.

I don't need to tell you how the story ends, because, in fact, it hasn't ended—I'm still here, facing many new challenges. But enough about me; what about you? Now that you know where I've been, I challenge each of you to ask where you've been and where you're going.

Once you figure out where you're going, you need to map out how to get there.

That's where we come into the picture. In this issue of RM is a lay-down of our CP 11 Multi-Disciplined Financial Analyst initiative that provides a game plan for carrying us into the future.

In addition, we have articles from readers in the field that share where they've been and where they hope to go.

Also included are fresh, enthusiastic accounts from several others about recent training experiences. Almost everything inside can suggest ideas for where to head and how to get there. Just remember, in order to make the best use of your time, make sure the knowledge you gain is relevant and contributes to getting you to where you want to be.

One outstanding award begets another

The U.S. Army had one winner in the 10th Annual Defense Financial Management Awards Program, according to a recent memorandum from Defense Comptroller William Lynn.

A three-person corporate budget team in the U.S. Army Corps of Engineers' Huntsville, Ala., Engineering and Support Center walked off with top honors in the FM Initiative category below major command last June at a national professional development institute in San Diego, Calif.

[redacted] and [redacted] received certificates and a team plaque for their business process reengineering success that had earned a 1998 President's Quality Achievement award.

The Huntsville center's products and services were costing their customers too much, according to survey feedback.

Under the old process, there hadn't been a corporate focus, success measures, corporate level reviews or prompt corrections to problems.

Under the redesigned process, key players in all directorates meet monthly to catch problems while they're still small, to review performance against established goals and to adjust goals as needed.

In 1998 the new process cut general and administrative costs by more than one-third and passed $37 million in savings back to the center's customers.

The center's new methods now serve as a model for others and are required reading in the Corps' Engineer Commanders course.

-- RM

Intern Job Listings on *CPOL* website

Are you looking for an Army internship but unsure of where to find information? The Army's Civilian Personnel On Line website, http://www.cpol.army.mil, is the place to start. Once there, click on Employment; then select Army Vacancy Announcements.

Within that menu, choose Entry Level Civilian Careers, Non-Clerical, which will bring you to the DA Management Intern Program menu.

Select Vacancies, and then click on the button which says "Federal Employee" or "Non-Federal Employee," depending on your status.

If you get stuck, feel free to call Sherry Rashleigh, the Army intern central coordinator, at DSN 221-8683, commercial (703) 325-8683.

Sustaining Base Leadership and Management Program

Class dates and application submission deadlines for next year have been announced:

Class Number	*Start Date*	*End Date*	*Deadline*
SBLM (CLASS 00-2)	23 MAY 00 -	11 AUG 00	07 JAN 00
SBLM (CLASS 00-3)	19 SEP 00 -	13 DEC 00	05 MAY 00
SBLM (CLASS 01-1)	23 JAN 01 -	12 APR 01	28 AUG 00
SBLM (CLASS NR-01)	14 AUG 00 -	27 JUL 01	07 JAN 00

For more information browse to http://www.cpol.army.mil/train/fy2000/ch01sblm.html

What's on your mind:

The world after Kosovo

by retired Gen. John Shalikashvili
Former chairman, Joint Chiefs of Staff

Whether in a week or a month, the Kosovo crisis is drawing to a close. The basic outlines of the settlement are already visible.

The question now is what the world will look like afterwards. We expect a much more sober, cautious, and even mildly isolationist U.S., facing the fact that tremendous power is not the same as omnipotence.

"The United States rules the seas and can, wherever it chooses, rule the skies. This is not the same as being able to compel other nations to capitulate on matters of fundamental national importance."

Shalikashvili

The Russian role

We see a dramatic decline in European confidence in American leadership. Germany was particularly concerned about Russia's reactions and is likely to concentrate on maintaining its relations with Moscow independent of NATO's decisions.

The big winner was Russia, a country that got money, respect and the position of honest broker. The most extraordinary outcome of Bill Clinton's Kosovo adventure was that it turned Boris Yeltsin into a statesman, with his representative, Chernomyrdin, taken more seriously in Bonn and Rome than Clinton's Strobe Talbott.

That was no small feat for the Clinton foreign policy team.

The Kosovo conflict is drawing to a close. Whether a settlement will take a day or a month, the key elements are now clear. There will be a cease-fire prior to the implementation of any agreement. The Serbs will continue to control Kosovo, and Serbian police will retain some sort of presence. A lightly armed international peacekeeping force will be permitted into Kosovo. Some NATO members will send forces; several non-NATO members, including Russia, will also send forces. The command structure of the force will remain deliberately vague. It will be agreed that Albanians will be able to return to their homes in Kosovo in stages.

Many will refuse to go, hoping to be resettled elsewhere. Others will return. Yet others will try to return but will find it impossible. An ineffective peacekeeping force will remain in place for a very long time, with an unclear mission. But the bombing will end; the abuse of Albanians will end. The world will go on.

What happened?

It is time to think about what that world will look like after Kosovo. Let's begin by considering carefully what has happened in Kosovo.

The United States government had received reports that it found credible of a terrible genocide underway in Kosovo and decided that it had to intervene to stop it.

The U.S. began by attempting to dictate terms to the Belgrade government, drafting a document now called the Rambouillet Accords. It gathered around itself its NATO allies, and demanded that all sides agree to those Accords. There was substantial hesitancy on all sides, but in the end, the Albanians agreed. The Serbs did not.

Leading NATO, the United States announced that unless the Serbs agreed to the Accords, precisely as stated with no further negotiation, NATO would begin a bombing campaign against the Serbs. The United States said this with full confidence that Belgrade would capitulate. Belgrade did not. Now, finding that NATO refuses to launch a ground war against Serbia, and finding that it lacks sufficient air power to crush Serb resistance, the United States will eventually be forced to accept a compromise and call it victory.

This will end an era that began with the Iraqi invasion of Kuwait in August 1990. The United States, under President Bush, determined that the Iraqi invasion was unacceptable. His precise reasoning was not as clear as one might think.

Part of the reasoning was strategic. Part of it was his repugnance at one nation seizing another. But the core of the intervention was that in a global, strategic sense, it was risk free.

Certainly, there was a risk of casualties. However, there were two assumptions on which the intervention rested. The first was that if the United States chose to intervene, it could create, at will, an international coalition to carry out the invasion.

The second assumption was that this coalition could in fact liberate Kuwait. In other words, the issue that framed Bush's decision was whether such an intervention was desirable and not whether such an intervention was possible.

The intervention in Iraq was the first of a series of interventions that included Somalia, Haiti, Bosnia, and now Kosovo. Not all of these ended well. Somalia was, by any measure, a failure.

The Haiti invasion displaced the former government, but no one would argue that Haiti has been lifted out of its misery. Bosnia was intended to be a short-term intervention but has become a permanent presence.

The limits of American power

But none of these interventions have forced the United States to face the core question:

What are the limits of American power? The Clinton administration faced the intervention in Kosovo as a question of whether the United States would intervene and whether we would permit Serbia to retain sovereignty over Kosovo.

It failed to ask the more important question of whether the United States and its allies had the military power in place to achieve its

political ends, and whether the amount of military power required should be spent in a place like Kosovo. The United States simply assumed, without the meticulous analysis required, that it had the needed power. It did not.

Thus, the decade begun in Kuwait ends in the skies over Serbia. No American government will, in the near future at least, simply assume that it has the military power needed to impose its will.

This is, obviously, a healthy lesson to learn. There is a vast difference between being the greatest military power in the world and omnipotence. The United States rules the seas and can, wherever it chooses, rule the skies.

This is not the same as being able to compel other nations to capitulate on matters of fundamental national importance. It must always be remembered that demographics never favor intervention in Eurasia.

American ground forces are always outnumbered whenever they set foot in Eurasia. Sometimes air and naval superiority along with superior technology and training can compensate for this demographic imbalance. Sometimes it cannot.

Sometimes it can compensate only after a build-up taking many months, as in Desert Storm. The casual assumption that the general superiority of U.S. military power inevitably translates into quick victory in any specific circumstance is obviously wrong and the point has been finally driven home.

The Europeans do have a vehicle for politico-military thinking, the Western European Union, which excludes the United States and is, therefore, far more congruent with the European Union

We would be very surprised if the Clinton Administration attempted another humanitarian intervention after Kosovo. Indeed, one of the lessons learned by all future administrations is that interventions should never be casually undertaken until and unless, the military is given time to plan and implement the intervention, as Bush permitted in Desert Storm. Moreover, since the implementation of an intervention in Eurasia is always costly and time-consuming, what appeared to be a good idea at first glance might well turn out to be a very bad idea in the long run.

Talk is cheap ...

Merely wanting to do something does not mean that something can be done. Moral obligations are easy to assume. They are sometimes impossible to carry out. This is a hard lesson to learn. Put differently, talk is cheap. War is hard.

We expect two parallel processes to emerge after Kosovo. We will see a much more passive, indeed isolationist, United States. The hair-trigger assumption of responsibility for Eurasian problems will be replaced by a much more cautious calculation, not only of moral considerations but also of costs and the national interest. The second process, paradoxically, will be a substantial increase in American defense spending. The Kosovo exercise has clearly demonstrated that the draw-down in U.S. military forces has limited American military effectiveness. Military options that were available to President Bush are simply not available, in anywhere near as lavish a quantity, to President Clinton. There is no question of any further cuts in defense spending. The only issue now is, How much will defense spending be increased?

The United States will be withdrawing from its aggressive leadership position not solely because it wishes to do so. It will be withdrawing because it has seriously lost the trust of many of its NATO allies. Except for the U.K. , the rest of NATO has been simply appalled by the U.S. management of the entire affair. The end game is being crafted by Germany, Italy and Russia because the United States simply locked itself into a position from which it could neither retreat nor go forward. It very quickly became apparent that the air war was not going to force a Serbian capitulation. Rather than commence compensating maneuvers, the United States insisted on rigidity and bellicosity, without developing a crushing military strategy.

German policy is particularly likely to shift after Kosovo. Germany has a fundamental interest in maintaining good relations with the Russians. From a geopolitical and a financial sense, a hostile Russia is the last thing that Germany needs. The near-confrontation between NATO and Russia over Kosovo was a sobering experience for the Germans. For a few days they looked into the abyss, and the abyss stared back at them.

Members of the Red-Green coalition in Bonn are inherently suspicious of both the United States and military adventures. They spent the last month trying to demonstrate that they could be good citizens of NATO, putting aside their ingrained 1960s sensibilities.

They emerged with a clear sense that they were right to mistrust American leadership and to worry about military adventures.

Consequences of Kosovo

One of the consequences of Kosovo is that the Europeans in general, and the Germans and Italians in particular, are going to be extremely cautious in agreeing to future creative uses of NATO.

The big winner in all of this is, of course, Russia. It not only got $4.5 billion but it also got everyone's attention, which it hadn't had since the good old days of summits with Ronald Reagan.

It has not only reminded Europe of its very real military power, thereby setting up the process for extracting money from the West; but it has also maneuvered itself into the position of being an honest broker, trusted by both Germany/Italy and the Serbs.

NATO has been the primary politico-military expression of Europe, the EU the primary economic entity. This has made it extremely difficult for Europe to express a coherent viewpoint. The EU and NATO were simply not congruent

Indeed, the Russians came out of the crisis looking like sober statesmen, working toward peace and stability. Now, when Boris Yeltsin can be made to look like a sober statesman and facilitator, something has gone dramatically wrong in American foreign policy.

We believe that the Kosovo conflict will become a definitive event in European history. The failure in Kosovo will cause the United States to recoil from casual interventions. More important, U.S. clumsiness in Kosovo will cause the Europeans to shy away from American leadership, particularly concerning European matters.

American leadership slipping?

The likelihood of an American administration herding NATO into another military adventure in Europe is minimal. This is a crucial change. There has been a tremendous asymmetry between Europe as a politico-military entity and Europe as an economic entity. NATO has been the primary politico-military expression of Europe, the EU the primary economic entity.

This has made it extremely difficult for Europe to express a coherent viewpoint. The EU and NATO were simply not congruent.

The Europeans do have a vehicle for politico-military thinking, the Western European Union, which excludes the United States and is, therefore, far more congruent with the EU.

But even that doesn't get to the heart of the problem. Germany's interests are specifically German. France's interests are French. The U.K.'s interests are the U.K.'s and are quite different from the other two.

We expect two results from Kosovo: first, a strengthening of purely European institutions at the expense of NATO, and second, a greater caution by individual nations toward multinational commitments, including purely European ones.

Kosovo will undoubtedly bring to a close what we might call the era of casual intervention for the United States.

There is nothing like failure to increase sobriety. We suspect that this is the last major foreign policy adventure for the Clinton Administration and would not be surprised to see [Secretary of State Madeleine] Albright, [National Security Adviser Sandy] Berger and [U.S. Ambassador to UN Nominee Richard] Holbrooke accepting private sector positions in the near future.

Most importantly, Kosovo closes what we regard as the interregnum between eras. The Cold War was not replaced by a unipolar world. That was a temporary anomaly. The new era of one superpower and several great powers, loosely united to limit U.S. power, is now beginning.

We'll tentatively christen this the New World Disorder, while we wait for the new era to name itself.

Editor's Note: *This quarter's "What's On Your Mind?" issue comes from former Joint Chiefs chairman John Shalikashvili. An ethnic Georgian by birth, he is uniquely positioned to share insight and wisdom on this topic. These thoughts were set down in May 1999, while NATO bombs were still falling on Yugoslavia.*

Budgeting for U.S. Forces Korea

'Mixed pot' funding challenges conventional thinking

by [redacted]

The funding environment of U.S. Forces Korea is unique, frequently providing a technical culture shock to commanders and RMs newly assigned to Korea. What are the unique features, and why are they such a technical challenge?

USFK budget deals with a "mixed pot" funding situation. Unlike Army commands inside the U.S., the budget for USFK has two sources, U.S. appropriated funds and Republic of Korea or ROK host nation support. The mixed pot involves inter-governmental agreements and frequently causes uncertainties and procrastination in budgeting.

From the U.S. side come pieces of several congressional appropriations and accounts: Operations and Maintenance, Army; Army Family Housing; Reserve Personnel, Army; Operations and Maintenance, Army Reserve; Other Procurement, Army and Military Construction, Army. From the Korean side come several forms of host nation support: Labor Cost Sharing, ROK Funded Construction and In-Kind Contributions. Let's look closer at these unique funding sources.

The Korean government supports U.S. forces in the country through monetary (local currency is the Korean won) and in-kind contributions. Working these resources into the U.S. budget and accounting system is far more complex than it sounds. The won-based budget is the part of the USFK budget eventually disbursed and liquidated in won, even though the obligations are recorded in dollars.

Examples are local national employees' pay, travel expenses liquidated in won and contractor invoices paid to local vendors. The won-based piece of the USFK budget has historically been 30 to 50 percent of the OMA portion, depending on the funding profile. The BASOPS and RPM segments are heavily won-based, while in OPTEMPO there is hardly any Korean currency funding. Accordingly, a full understanding of the USFK budget requires knowing the funding profile of the won-based budget to the total funding available.

The USFK budget is sensitive to currency exchange rates, which cause fluctuations in won-budget purchasing power. Eighth Army budget builders thus have to estimate as best they can the amount the won budget will buy in the year of execution. The purchasing power varies with daily fluctuation in local market rates. The Army's standard finance system or STANFINS reports can record only the face value of Korea's cash contributions converted to US dollars at the market exchange rate

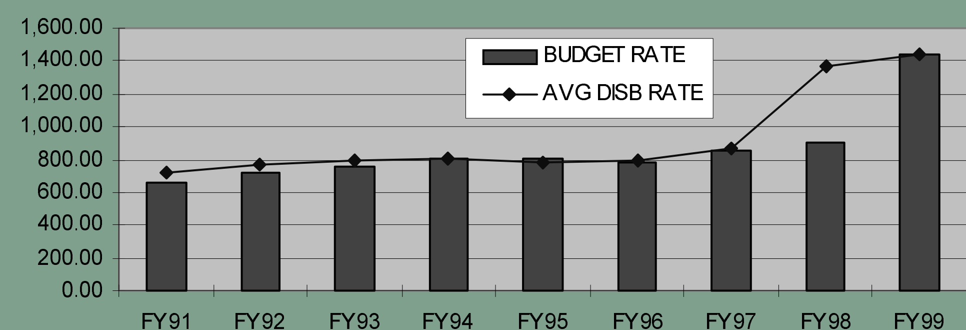


Figure 1. Annual Currency Exchange Rates Affecting USFK Budget

posted on the date of transaction, regardless of its purchasing power. Figure 1 illustrates the point, in won per dollar.

The disparity between the official budget rate and the market exchange rate in Figure 1 involves the Foreign Currency Fluctuation Account or FCFA and requires an accurate projection up front during the budget formulation process using the most logical economic assumptions and factors available at the time. Army headquarters provides an FCFA target prior to or at the beginning of a fiscal year. The assessment of the target for its adequacy is not possible without making an accurate projection of such factors.

USFK resources are budgeted in a volatile funding environment. An accurate amount of the host nation support is usually not available during initial funding distribution and requires a best estimate, as it ties in with the local economic situation. For instance, in fiscal 1999 it was very hard, and frustrating, to determine an actual amount of Korean labor cost sharing because of the economic turmoil in Korea. Both the cash and the in-kind contributions for LCS were virtually at stake to begin with, and they were still under negotiation between U.S. and Korean governments (as Special Measures Agreements) as this was written.

Sometimes local national pay has to be "fenced," or set aside. Given a mixed pot funding situation in a volatile funding environment, commanders and RMs have had to fence local national pay to prepare against possible downward adjustments in host nation support, at least for the first half of the fiscal year. In 1998, for example, ROK LCS dropped by seven million dollars, and that had to be withdrawn at midyear from the affected commands, causing much turmoil and a lot of heartburn.

Unlike Army commands in the U.S., budget building in USFK is extremely sensitive to the local economy and requires using local inflation and pay raise factors for the won-based budget instead of the standard Army factors and indices. From that perspective, 35 to 50 percent of the Korea budget has to be treated as a variable, since the purchasing power of this portion of budget ties with the local economy and requires the most accurate possible projection of its purchasing power. How easy is it? Who knows exactly what the market rate is going to be during the budget year? Without an accurate projection of the won's purchasing power during budget formulation, Army budget planners in Korea just have to do the best they can to estimate distribution and allocation of funding and the execution of allocated funding.

USFK budget requirements are reduced by in-kind contributions from the ROK, to include logistics cost sharing and host nation funded construction. In-kind contributions are services being provided free of charge or at a discount. Any changes to this in-kind support affect USFK mission accomplishment and require ultimate funding adjustments during execution. The logistics cost-sharing program is a part of Korea's host nation support that comes through memorandums of agreement for things like storage and maintenance of ammunition. Host-nation-funded construction includes combined defense improvement projects or CDIP and ROK-funded construction or ROKFC.

Now that we've looked at the unique features of USFK's funding environment, let's turn next in detail to methods of dealing with those features. First up are budgeting and accounting for Korean labor cost-sharing funds.

During budget formulation, the ROK LCS contribution must be estimated and incorporated into the total funding availability for USFK commands. The LCS distribution within USFK is based on the average on-board strength of each command or agency's Korean employees or the amount of Korean pay budgeted for the previous fiscal year. At the beginning of each fiscal year, the prospective amount of ROK LCS contribution is added to the total amount of funding available from the US appropriated funding channel (Program and Budget Guidance / Funding Authorization Document). Subsequently, the total amount of funding (= PBG+LCS) is distributed to each obligation target recipient through the Program and Budget Advisory Committee process.

One of the challenges in this process is, of course, the accurate estimation and recording of the ROK LCS amount as it is received in Korean won. The recording of this LCS into STANFINS involves the conversion to U.S. dollars using the market exchange rate current for each transaction. The budgeting of LCS involves the accurate projection of the final LCS numbers to be recorded in STANFINS – a very complex process.

For accounting purposes, the ROK LCS contribution is recorded in STANFINS as a reimbursement. Upon receipt of the ROK cash contribution (normally early each March and July), the direct obligations for local national or LN pay are reduced by the amount of the cash contribution (in won) and converted to dollars at the day's market exchange rate. Accordingly, the "direct" appropriated local national pay is reduced by the amount of ROK LCS. The ratio of ROK LCS to the total USFK LN pay compensation runs about 60 to 70 percent. For manpower accounting purposes, the number of LN work-years (WY) compensated by ROK LCS are calculated and recorded as "reimbursable WY" on the manpower reports.

Can STANFINS record the purchasing power of the ROK LCS? Yes; but, the amount of cash (won) host nation support received must be recorded in the official accounting report (STANFINS) in dollars at face value, converted using the market exchange rate for the day of receipt. The face values of ROK LCS recorded on the STANFINS in dollars usually do not reflect the cash contributions' true purchasing power, and that frequently leads to less than the best RM decisions. Here is an example, which I've called Face Value Versus Purchasing Power.

In 1998, Eighth Army received 154.5 billion won as ROK LCS to help finance Korean employee salaries. Cash payments of 77.3 and 77.2 billion won arrived on March 2 and July 2, 1998, respectively. The LCS amounts recorded in STANFINS are $105.8 million (= $49.3M+$56.5M), using the applicable daily market rates of 1570 and 1365 won per dollar for those two days. That's what those two payments were worth on the days the U.S. got them — not necessarily what they'll be worth at the various times Eighth Army uses that money.

The equivalent purchasing power of this LCS can be determined only through evalua-

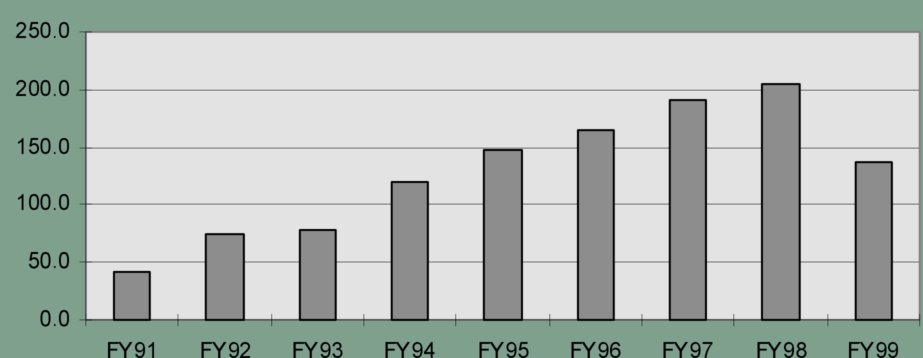


Figure 2. ROK LCS Trend (In millions of US dollars)

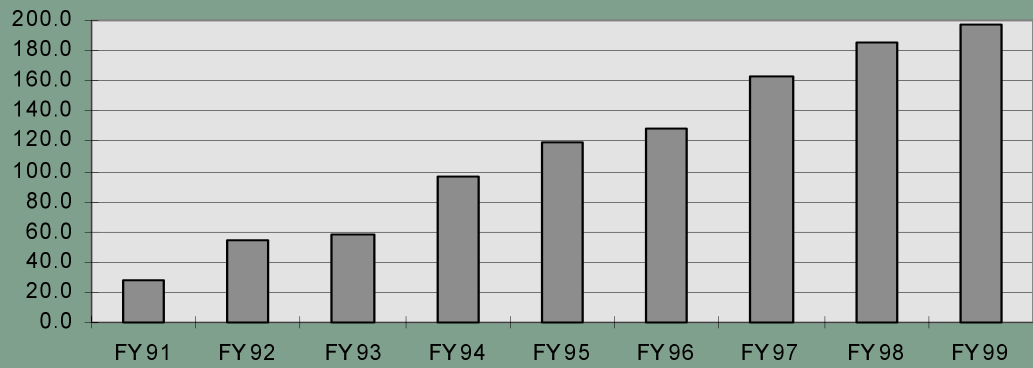


Figure 3. ROK LCS Trend (In billions of Korean Won)

tion of its won amount initially budgeted versus actually received. Korean employees are paid in won at a pre-established pay rate; therefore there is no impact in won requirements, regardless of market exchange rates. In this example, the face value of ROK LCS recorded in STANFINS can be misleading, for it demonstrates that STANFINS is not able, nor is it intended, to record eventual, ultimate dollar purchasing power of allied monies received.

Figures 2 and 3 show the trend of ROK LCS contributions since 1991. Figure 2 is the trend (face value) in millions of dollars, Figure 3 the amount in billions of won (purchasing power). In this example, the LCS amount for fiscal 1999 dropped significantly from the year before in Figure 2 (in dollars), due to decline in dollar value of the local currency. Yet, the amounts in won still show an increase in purchasing power from 1998 to 1999 in Figure 3.

We've seen from some labor cost-sharing examples how exchange-rate changes between when allied money is received and when it is spent can raise havoc with RMs' decisions from notions of what they have and what they'll need. These same difficulties arise in the case of the won-based budget.

In domestic Army commands, amounts of budget from one fiscal year to another represent close to their relative purchasing power — the more so if constant dollars are used. For a U.S. command, for example, a fiscal 1999 budget of $8 million compared to $10 million executed in 1998 probably would indicate a 20 percent reduction, i.e., negative growth. In USFK, however, the same two figures could mean the same or even an increased purchasing power of the local currency, depending on the amount of the won-based budget. A detailed illustration is coming later.

In formulating the USFK budget, determination of won-based budget purchasing power is a critical step—actually it works out to nine steps:

1. Compile the base year costs (execution data) by program and expense category.
2. Identify and exclude the base year's one-time costs (i.e., normalize).
3. Segregate base-year costs by dollar- and won-based categories.
4. Develop incremental costs to continue base-year mission and programs in the budget year, applying pay-raise and inflationary factors for the won-based budget in light of the best available local economic assumptions. Concurrently, assess the most likely funding impact (purchasing power) as a result of the new exchange rate to be effective in the budget year.
5. Develop an estimate of cost to purchase the same programs (less one-time requirements)

for accomplishing the base-year mission in the budget year, using the outcomes from the first four steps.

6. Determine additional costs for any new budget-year missions or programs.

7. Compute total funding requirements (= cost of buying base-year programs in the budget year + new programs in budget year), using outcomes from steps 5 and 6.

8. Compare total funding requirements against funding availability (= PBG + ROK LCS), and address mission capability given the available funding.

9. Prioritize and develop unfinanced requirements or UFR.

Example: U.S. command vis-à-vis USFK

This example demonstrates the dramatic effect the won budget has on purchasing power using equal total dollar budgets in the U.S. and in Korea.

A certain command in the U.S. had 1998 execution of $10 million and got a 1999 OMA budget of $8 million. The negative growth or reduction in budget of at least 20 percent is obvious. But the same conclusion cannot be drawn in a Korea-based command unless borne out by won-budget purchasing power in each year. Suppose that the won-based budget for this hypothetical USFK command is 60 percent ($6 million of the $10 million 1998 budget), with heavy expenses for both LN pay and local won-denominated contracts.

The 1999 budget exchange rate was 1447 won to the dollar, while the previous year's rate was 907.6 per dollar. That meant for 1999 that every budgeted dollar which would end up being spent as won could be expected to buy 1447/907.6, or 137 percent, of what it bought the year before. The $6 million in 1998 won-purchasing power at a 907.6 exchange rate thus grew in 1999 to $8.2 million in purchasing power, thanks to a new 1447 rate. The cost to buy the 1998 program in 1999 therefore was $7.8 million (= $10-$2.2), leaving $0.2 million ***more*** (not $2 million less, as in the U.S.) purchasing power in an $8 million budget [not adjusted for pay raises and inflation for sake of simplicity].

The third major factor in building the annual won-dollar budget in Korea is the Foreign Currency Fluctuation Account, or FCFA. In any U.S. allied nation, FCFA protects the deployed Army command from unfavorable movements in the exchange rate—in this case, the won/dollar rate—by giving them "drawing rights" from a central repository when the host nation's currency rises in value from the rate budgeted. When the opposite happens, commands have to replenish the central repository by depositing "gains" from the exchange rate into the FCFA. Thus, despite the daily fluctuating won/dollar exchange rate, the amount of the command budget remains largely unchanged, due to the procedures of either putting money into or withdrawing money from the FCFA. These procedures, however, apply only to appropriated funds. FCFA rules do not extend to cash received as host nation support.

Due to the significant won-based budget in USFK, the FCFA has a significant impact on the command's overall budgeting and accounting processes. In 1998, the budgeted exchange rate (as in the above example) was 907.6 won per dollar, but the cumulative average disbursement rate was 1368 won per dollar—a considerably lower dollar outlay. If the won-based portion in 1998 had been, for example, $330 million (at the 907.6 rate), USFK would have ended up disbursing only $219 million, and would have had to pay the difference, $111 million, into the FCFA central repository.

In my view, the most serious problem or challenge faced by USFK commanders and RMs is that the overseas tour isn't long enough for them to give sufficient payback, once having mastered how the mixed-pot budget system works. It takes one year of the two-year tour to learn it, and then there is only one more year to use that knowledge and skill. It appears that no formal school or institution provides the orientation or training to deal with the unique features discussed here. Frequently, incoming RMs were not even aware of, nor were they told about, the potential technical challenges awaiting. They just start facing them upon their assignment and accept them with resignation as a reality. The U.S. Army or Defense Department (or maybe a professional association) ought to do something, so that new commanders and their resource managers can be better oriented in an organized way when they get to Korea. Here again is what I think they should be told about.

USFK commanders and RMs have to deal with uncertainties during the budget and execution years such as the amount of the won-based budget, the amount and types of host nation support (cash or in-kind), the amount and categories of potential funding adjustments due to the change of the official budget rate, and the fluctuation of the market exchange rate to make an assessment of the FCFA target. They actually need more orientation and training time than those in U.S. domestic commands, to learn to deal with all the variables and uncertainties; yet, the duration of their normal tour of duty in USFK is less (two years, not three), of which at least one year of actual experience is needed for them to become fully effective and productive. Resource decision making in Korea is much more complex than elsewhere and requires patient, deliberate and time-consuming effort in daily contact with officials of the government of another country and culture. Frequently, such environment causes confusion and frustration during the decision making process.

In conclusion, I would offer these points:

1. The unique funding environment surrounding USFK frequently poses unique challenges to the leadership. Current and prospective USFK commanders and resource managers need to overcome the challenges. Accordingly, a clear understanding of the unique features by the leadership is very important and will help reduce the challenges or at least make these officials better prepared to deal with the challenges.
2. The role and the extent of ROK LCS in USFK have steadily grown since 1991, when the program began. Labor cost sharing has significantly aided and enhanced accomplishment of the USFK mission in Korea by reducing the financial burden on U.S. taxpayers. The setback in 1999 is widely regarded as temporary, due to Korea's economic downturn, from which it is now recovering. More recently, the progress appears to have picked up, and it is expected to continue in the future as long as the overall Korean economy improves.
3. The special funding environment in USFK presents a peculiar technical "culture shock" to newly assigned RMs and commanders that takes about a year to get used to. We have to either lengthen the two-year tour, or find ways to make it take less than a year to "break somebody in." Lack of prior orientation or training is in part responsible for the long break-in time and has led to confusion, misinterpretation, frustration, time-consuming efforts, and possible sub-optimization of valuable resources during the PBAC process.

I pose to my American colleagues and former bosses the challenge of fixing these problems, because I believe that by working together, you in America and we local national employees in Korea can dramatically compress the learning curve, improve the process and raise the quality of U.S. Army resource management in Korea for those of you who will some day come here to practice it.

About the Author

[redacted] is chief of budget formulation in the U.S. Forces Korea and Eighth Army headquarters ACSRM budget division and has worked for the Army in Korea since 1967. He has a bachelor's degree in Chemical Engineering from Inha Institute of Technology and a master's degree in business administration from Yonsei University.

Are you updated?

CP-11 careerists are hereby put on notice!

Are you a CP-11 ACCES registrant? Did you update your ACCES records online by Sept. 17, 1999, through Easy ACCES? If not, you are now regarded as *'inactive.'*

You will not be considered for any CP 11 referral until you actually update or validate all ACCES registration information.

For more information, contact [redacted] at DSN 221-7260, commercial (703) 325-7260.

Future CP-11 careerists get jump-start with grooming program

FORSCOM student interns graduate

by [redacted]
and [redacted]

Several years ago, U.S. Army Forces Command began a student intern pro gram as a goal-oriented intervention initiative to provide opportunity to bright but at-risk inner city youths in Atlanta, Ga.

No ordinary program, it sought to find and "groom" deserving high-school students through college, summer work and two-year Army civilian internships.

Five of downtown Atlanta's best high school juniors in May 1993 started a seven or eight-year odyssey to propel them into the ranks of Army CP 11 careerists.

Two had to drop out. Last year [redacted] earned a bachelor's degree in economics, with honors, at Spelman College, and last May, [redacted] at Morehouse College and [redacted] at Clark Atlanta University each graduated with bachelor's degrees in business administration and management. They are now Department of the Army Comptroller interns.

Photo by Irma Griffith-Steele

[redacted] and [redacted] participated in the FORSCOM Student Intern Program.

[redacted] and [redacted] each received tuition assistance of up to $10,000 per year while in college and they had to keep grades at the 2.5 level or higher to stay in the program.

They worked in resource management offices at Fort McPherson during school breaks and vacations.

Each one had a mentor, to guide and coach them through the "world of work." We asked them what they thought of the program and their experience, and here is what they told us:

[redacted]

"As college graduates, we reflect over the past six years on how the Army/FORSCOM Student Intern Program has dramatically changed our lives. As juniors in high school, we were not sure how we were going to pay for our college education. Our family's income was too little to afford four years of college. This program not only paid college tuition and room and board; it also placed graduates in entry-level career fields within the federal government. This eliminated a burden that most graduates have, searching for a job after graduation.

"This program is tremendous. It offers continued academic learning combined with professional experience as well as life skills. We learn valuable lessons early in life such as responsibility, dependability and accountability. The intern program also teaches the importance of being a successful employee in the business world. We've learned the importance of coming to work on time, working an eight-hour-plus shift, calling our supervisors if we are going to be late and completing all assignments in a timely manner."

[redacted]

"This program is indeed a dream come true. The road of life is not always a smooth one, and because of this program we are better prepared for the bumps along the way. The transition from college to our careers has given us a new perspective on life and the role we will play in society. We are aware of our surroundings and are eager for the next challenge. We attribute continued success to stepping-stones and lessons learned."

[redacted]

"The Department of the Army/FORSCOM Student Intern Program is a valuable program that gives students the opportunity to succeed. This program should be continued and made available to the many high school students who are achieving academic excellence and striving to obtain professional careers in order to positively contribute to the society in which we live."

The Forces Command student interns would like to thank all who supported the program, especially the staffs of their own headquarters and in the Office of the Assistant Secretary of the Army (Financial Management and Comptroller).

Editor's note: *Portions of this article appeared in the July 9 Fort McPherson* Sentinel *and are reprinted with permission.*

About the Authors

[redacted] is a community specialist in the FORSCOM office of the deputy chief of staff for personnel and installation management. She helped to found the student intern program and to recruit and screen the original five students. [redacted] is the command's career program advisor for CP 11 and CP 26 (Manpower and Force Management) in the office of the deputy chief of staff for resource management.

Reserve RMs augment Army Headquarters staff

Are you looking for us? If you're an Army Reservist in need of "good years," we may be looking for you. The 161st Individual Mobilization Augmentee Detachment is actively seeking officers and senior noncommissioned officers to fill key IMA and drilling IMA billets beginning this October.

The 161st supports the Office of the Assistant Secretary of the Army (Financial Management and Comptroller). Its missions include researching and analyzing Army financial and resource management issues; supporting Headquarters Department of the Army and Joint Chiefs of Staff exercises; and administering the OASA(FM&C) IMA and mobilization table of distribution and allowance programs.

IMA or drilling IMA membership in the unit will offer you the opportunity to earn retirement points required to qualify for a creditable retirement year ("good year"), an annual officer or enlisted evaluation report, Army awards or decorations, and at least 12 days of annual training. Members are also eligible to participate in resident education and training programs.

A drilling IMA will receive 24 periods of inactive duty for training in a paid status. Typically, a number of our members who occupy IMA positions perform their annual training in Washington, D.C., with the OASA(FM&C).

In order to be considered for one of the IMA or drilling IMA slots with the detachment, please provide a current biographical summary. Forward your information along with a cover letter to:

Commander 161st IMA Detachment
(ASA-FM&C)
[redacted]
Washington, DC 20310-0109.

To learn more about opportunities with the 161st, contact [redacted] at (703) 566-3611 or [redacted] at (703) 560-3915.

ROTC: *Summer Pentagon duty helps prepare officer trainees for future Army financial leadership careers*

by [redacted]

The cadet intern program is alive and well at the Pentagon. Eighteen Reserve Officers' Training Corps cadets spent three weeks of their summer vacation watching the Army being run from the top, and they actually helped to run it, in various parts of the headquarters.

Four of them came to the office of the Assistant Secretary of the Army (Financial Management and Comptroller), where they assumed the lead or assisted on projects in the Budget, Financial Operations, and Comptroller Proponency offices. Each cadet, no matter where assigned, got a chance to see how the host organization influenced Army activities.

> *"The civilians and military I worked with were dedicated professionals who shared the pride and sense of duty of the soldiers they worked alongside."*

Bottom Line Up Front: the program gave the cadets realistic first-hand staff experience at the Army's Pentagon headquarters.

[redacted] Georgia Military College, worked in the Army's budget office, compiling information about specific financial queries, analyzing facts, determining needs, then assessing steps needed to resolve financial issues facing the affected organization. In addition, he prepared a briefing for Maj. Gen. Jerry Sinn, the incoming Deputy Assistant Secretary of the Army – Budget, and assisted in preparing a monthly readiness report for Gen. Eric Shinseki, Army Chief of Staff.

Summing up his Pentagon internship, Taylor-Wertenbaker said, "I really believe the program was beneficial, not only to the cadets but also to the officers and civilians involved. The cadets learned early on about life in the upper echelons of the Army, and the officers got a chance to interact with the future of the Army – the Army's Generation X."

[redacted] University of Texas at El Paso, worked in the Management Control Office, Deputy Assistant Secretary of the Army for Financial Operations, where she helped to compile and organize an Army-wide symposium in Scottsdale, Ariz.

"As RSVPs began arriving through e-mail, I composed a master list of attendees and monitored it daily for updates," said [redacted], a political science senior. She added that she enjoyed the three-week tour and learned a great deal from it. "The cadet internship program was a good experience for me in that I got to meet a lot of great people who made me feel welcome and were interested in knowing about me."

[redacted] Marquette University at Milwaukee, Wis., completed his internship in the Finance and Accounting Oversight Directorate under the Deputy Assistant Secretary of the Army for Financial Operations. Baldwin's job was "working on the team implementing the Defense Travel System throughout the Army."

DTS grew out of the 1993 National Performance Review, chartered by Vice President Al Gore, to reinvent government in part by reducing the costs of travel.

"My role in this project was to develop the Army website designed to ease the transition from the current system to DTS," [redacted] said. "I found this work challenging and rewarding."

The political science major also praised his new colleagues for their important roles. "The civilians and military I worked with were dedicated professionals who shared the pride and sense of duty of the soldiers they worked alongside."

[redacted], an accounting major from Marshall University in West Virginia, worked in the Comptroller Proponency Office, where he organized a local presentation of the Planning, Programming, Budgeting, and

Execution Systems course at Fort Belvoir, Va.

In addition, he searched for a new law in the Federal Register that entitled long-term military travelers to be reimbursed for taxes taken out on their travel allowances. Tharp explained that patience was the key to accomplishing both tasks.

"For the PPBES course, I contacted over 40 people to ensure they could attend and then wrote a memorandum to each one with information about the course," he said.

The internship was well worth doing, Tharp noted. "It was a great experience. The employees of the Comptroller Proponency Office welcomed me and were always willing to help me out."

The Pentagon experience wasn't all work, however. While in town, the cadets toured Capitol Hill, Arlington National Cemetery and the Smithsonian Institution, among other attractions. "Combining work and pleasure provided an educational yet relaxing experience," said [redacted] who visited many national monuments and some congressional proceedings.

"I would say that the experience facilitated a chance to do all that we wanted to do," Tharp said. "I really enjoyed seeing the sights our nation's capital had to offer. I went running with my sponsor several times, and the area along both sides of the [Potomac] river is absolutely beautiful."

Free Internet Skills Training Through Your Office Computer

Have you ever had a nagging question about Microsoft Office, Windows 95/98/NT, Oracle or other internet skills for which you couldn't find a good answer?

Well, help may be on the way. The Army's information managers in ODISC4, the office of the director of information systems for command, control, communications and computers, recently announced some free computer-based training in internet applications.

To find out more, visit the training system's site at:

- http://www.armycbt.army.mil

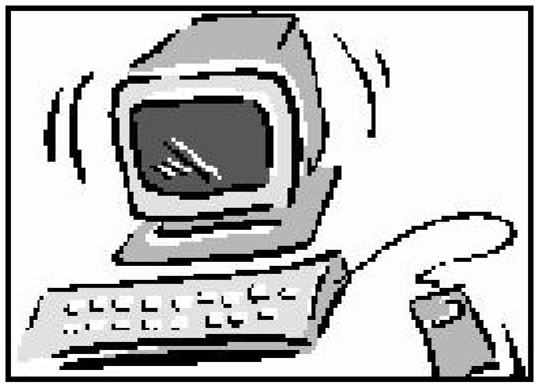
One catch: you have to do that from a workstation with an *army.pentagon.mil* or *army.mil* ending in your e-mail address.

Once registered, you can access the training site from anyplace.

If you're in the Army Reserve Command and/or Reserve on AR-NET, you can access the training at:

- http://158.6.12.20/usarccbt

or use the first address while away from the office. Army National Guard folks



can connect by visiting:

- http://cbt.ngb.army.mil

You can also access more than 90 intranets and local area networks throughout the world.

A list of command points of contact is at the central web site, above.

In addition, the ODISC4 computer-based training systems office publishes a monthly newsletter for Army personnel. To receive it, visit:

- http://www.cbtsys.com/federal/army.htm

Readers with questions may contact the Army contracting officer's representative at the main web site or send e-mail to [redacted]

Peacekeepers:

Deployed civilian resource managers trade suits for boots and BDUs to support military in Balkans

by [redacted]

Army civilian employees and local national civilians assigned to U.S. Army Europe have been deployed to the Balkans and Hungary since the first tank rolled across the Sava River in December 1995.

We are the budget, contracting, safety and property book officers, the morale, welfare and recreation specialists, the education center managers and the environmental engineers that augment the military force. We wear battle dress uniforms and combat boots, just like the soldiers around us. We live in the barracks, eat in the dining facility and get our laundry done by the ubiquitous Brown & Root sustainment contractor elements.

"Hard work, long hours, no weekends, endless briefings — all that was offset by the great camaraderie and companionship experienced during these three months while I was 'down range.'"

--[redacted]
Auditor, Taszar, Hungary
Sept.-Dec. 1995

Assignments range from a few months to two years, depending on the type of order that sends us down range, away from home station. With the mission in Kosovo, we anticipate that the number of deployed Army civilians will increase.

I had the good fortune to be deployed for three months as a budget officer to the U.S. National Support Element in Taszar, Hungary, in support of operations Joint Forge and Noble Anvil. Good fortune and deployed are not normally used in the same sentence, but my case was a real exception.

Normally, I'm a command Budget Analyst with a branch in the Program Budget Division of USAREUR's Deputy Chief of Staff, Resource Management office, in downtown Heidelberg, Germany. Last January, budget officer [redacted] gave us all an opportunity to volunteer for a three-month assignment in Hungary with the USNSE. Five of us volunteered, and I got to "lead the charge."

The USNSE provides base operations and force protection support for DoD forces and civilians deployed in support of Operation Joint Forge in Hungary, Croatia and Bosnia, except an area in the multinational division north sector occupied by Task Force Eagle.

Taszar is a transportation node on the theater lines of communication, with bed-down space for more than 500 people in a remain-overnight facility, called the RONFAC. The airfield was recently a base of operations for two F-18 squadrons of the Marine Aircraft Group 31 (Forward), flying missions in support of Operation Noble Anvil in Kosovo. The USNSE staff of officers, soldiers and civilians from the regular Army, Army Reserve and National Guard is a cohesive and flexible team well suited to the diverse USNSE missions.

I arrived in Taszar on March 17 in a small plane from Heidelberg. My comptroller, [redacted] another USAREUR DCSRM budget analyst, took me from the airfield to my new home on Taszar Main. Fortunately for me, she had secured a single room in the barracks, so my personal comfort was assured. We dropped off my gear and went to the office, where the rest of the USNSE RM staff, two soldiers, greeted us.

Conditions down range are spartan. Office furniture is salvaged from the Defense Reutilization and Marketing Office and leaves much to be desired. Luckily the automation provided was in good condition and linked to Sprint telephone lines. Electricity on the base in Hungary was variable, since the power grid was taxed to maximum capacity. Multiple generators worked non-stop to keep the many computers and office machines up and running. Surge protectors were mandatory, with daily computer back-up essential to stay operational.

The workload was diverse and interesting, including travel orders, small local economy purchases, reimbursable work orders and requisitions through our local supply support activity.

Several big-ticket budget items like the Brown & Root sustainment contract and Sprint communications were centrally handled back in Heidelberg. USNSE's current-year contingency operations or CONOPS budget of about $70 million, including $50 million for the sustainment contract, was for the support element's primary mission, supporting Operation Joint Forge in the former Yugoslavia.

As budget officer, I was responsible for documenting budget requirements, certifying funds, maintaining our local database commitment accounting system ledgers and training our staff on proper accounting procedures. Because of the turnover in our small staff, training took up a large part of every day. We were lucky to get soldiers with backgrounds in finance assigned to their RM positions on a six-month rotation.

Hungary

They were familiar with at least some accounting and usually had worked with travel orders or contracts from the finance perspective. It proved to be an eye-opening experience for most finance soldiers. For instance, using a "default" code to put a disbursement into the system took on a new light, given that one had to research and correct it as a resource manager. Our soldiers, I'm sure, provided much better customer service to RM customers once they returned to their finance assignments after six months' duty in Taszar.

Operating in a new NATO country such as Hungary provides RMs new challenges. Currency most used for local purchases is the Hungarian forint, but Croatia- and Bosnia-based USNSE segments buy, respectively, with kunas and with konverta marks tied to the deutschmark. Since neither a standard budget rate nor the Foreign Currency Fluctuation Account supports these currencies, all of their obligations for transactions had to be recorded at the actual disbursement exchange rate. Also required was to identify value added taxes paid to Hungary, for future reimbursement under a NATO omnibus agreement. Add to this a need to furnish reimbursable support to various multinational units in our area of responsibility, and you can see we had a most challenging accounting environment.

Like any other RM office, we were responsible for keeping the commander and staff informed about budget issues and fund status. USNSE's formal process had two parts, a weekly Joint Acquisition Board and the quarterly Program Budget Advisory Committee. The RM was active in both. The weekly board included several primary staff members, the contracting officer and legal advisor as well as the RM. They screened and recommended command approval or disapproval of $1000-and-up USNSE purchases and $2500-and-more Brown & Root sustainment requirements.

The PBAC included primary staff and delegates from main support units like the national support teams in Sarajevo, Bosnia, and Zagreb, Croatia, medical and transportation detachments, movement control team and the military police and headquarters and headquarters detachments. Each activity would brief their own execution status using RM-provided data. Future budget action courses would be charted once the group agreed on common goals.

"I started working for the Army under the mentorship of a colonel who taught me, 'We're all here for one mission: support that soldier on the ground.' There's no better way to truly feel and understand that mission than to deploy."

--[redacted]
Auditor, Taszar, Hungary
Nov.-Dec. 1996 and Feb.-April 1997

The NATO bombing was going on practically the whole time I was deployed. That radically changed the atmosphere in Taszar, as our force protection level jumped to threat condition Charlie — dangerous.

That meant we had to wear the hot, heavy and uncomfortable flak vests and Kevlar helmets whenever we left the building. Soldiers had to carry weapons with full magazines everywhere. We were locked down and not allowed to utilize the previously liberal pass policy. Rest and recreation trips to Budapest and Lake Balaton normally available to military and civilians were canceled. And finally, all sales of alcohol were suspended until the Threatcon was reduced.

Taszar's role in the bombing campaign increased with the arrival of the six-man Marine Aircraft Group 31 (Forward) survey, liaison and reconnaissance party. Responsible for all functional areas, these Marines were ready to get the airfield set up for the arrival of their F-18 fighters and to start operations as soon as possible. The entire USNSE staff was energized to give the Marines full support to accomplish their mission. For the RM, this meant documenting requirements, tracking costs and ensuring right funding sources. USNSE's mission was to provide the Marines non-reimbursable Title 10 support and reimbursable operational support. That wasn't easy, since the definition of what constitutes Title 10 support is open to a lot of interpretation.

"I was impressed at the professionalism and dedication of all personnel involved. I salute all military and civilians and their families for sacrificing their personal lives for this type of operation."

--[redacted]
Budget Officer, Taszar, Hungary
June-Sept.1999

Maintaining an open dialogue with both our USAREUR DCSRM chain of command and the Marine money folks in Cherry Point, N.C., was essential in getting funding from correct accounts.

Early on, the Marines provided a detailed set of milestones on which we could base the budget estimate. The USNSE staff met with the SLRP daily to ensure that critical-path issues were resolved and that the mission stayed on track. We all waited anxiously for the arrival of D-Day, the day the aircraft would deploy.

In the USNSE RM, we had to establish a customer number and accept a military interdepartmental purchase request or MIPR from the Marines back at Cherry Point. We were also receiving Air Force funds to support their Redhorse construction to prepare the airfield for high-speed jets. Brown & Root swung into action to construct billeting tents, build aircraft maintenance bays and expand Marine headquarters office space. Sprint prepared to provide communications cabling necessary for computers, voice, fax and the secure systems the 850-person Marine contingent would need. We had to check each fund request to see who should pay the bill and how to enter it in the accounting records. Weekends lost their meaning, and 12-hour days became the norm.

The collective effort of Marines, soldiers, airmen, contractors and U.S. and Hungarian civilians let the Marines start flying missions on time.

The small part I played in making that happen made Hungary one of the most satisfying assignments in 20 years of being a resource manager. Worth all the Kevlar discomfort and on-post lock-down was our satisfaction that we had helped NATO to end the war.

From a personal perspective, deployment was a wonderful experience. The work was dynamic, interesting and diverse. The sense of accomplishment and pride in getting a NATO medal and a Marine Corps commendation certificate was immense.

My deployment was enhanced by a very supportive group of managers and co-workers from USAREUR in Heidelberg, the flexible and innovative USNSE staff, and my husband Rudy, who regularly sent letters and care packages of homemade cookies.

With contingency operations happening all over the world, the deployment of civilians, both U.S. and local nationals, has become a necessary part of our military solution. With a positive attitude, good preparation and a strong support system, it can be a most rewarding experience for any civilian called to volunteer.

About the Author:

[redacted] is a command budget analyst in the Office of the Deputy Chief of Staff for RM at U.S. Army Europe headquarters in Heidelberg, Germany. A veteran with several years' active duty, National Guard and civilian RM experience, she has a Master in Business Administration degree in Accounting and an undergraduate degree in Germanic Studies. When not deployed, she enjoys wine-fests and gourmet food with her husband Rudy.

OPMS XXI Implementation in the Army Reserve

The officer personnel management system for the 21st century, OPMS XXI, is the Army's new life-cycle career management program. It was developed to ensure that the Army has quality officers with skills to meet the requirements of Force XXI and the Army After Next.

The active component recently began implementing OPMS XXI, a process which will take until September 2002. Career field designation boards will consider AC officers immediately following board review for promotion to major.

During the transition years, from now until late 2002, additional boards will meet to designate AC majors and lieutenant colonels based on cohort year groups.

The first AC promotion board to consider officers managed under the new OPMS XXI process will be the Army competitive category colonels' board, sometime in 2001. Reserve officers also are affected by the new system.

The Chief of the Army Reserve has decided not to limit those with career field designations at this time. The decision will allow maximum career progression opportunities, considering the geographical and structural constraints peculiar to reservists.

USAR promotion board categories will also remain unchanged.

OPMS XXI does bring several significant changes that affect the USAR. The new officer evaluation report was developed as a result of the active Army's transition to OPMS XXI.

The reserve converted to the new format last October. Changes to Department of the Army Pamphlet 600-3, *Commissioned Officer Development and Career Management*, immediately affect the USAR.

Although basic branches remain unchanged, seven new functional areas have been established, two others revised and two others deleted. None of that affects FA 45, comptroller, which continues within the newly defined Institutional Support career field.

DA Pam 600-3, the October 1998 edition, includes qualification criteria for all FAs, old and new. The Office of the Chief, Army Reserve, in coordination with the National Guard Bureau, plans to update the reserve component portion of the publication by December.

Life-cycle management models for reserve officers will include all USAR categories, e.g., troop program unit, individual mobilization augmentee, individual ready reservist and active Guard/Reserve.

Intensified officer management will ensure retention of the technical skills and mobilization readiness needed to provide the best qualified officers for future missions.

USAR senior leaders and career management officers will play critical roles in mentoring and assisting junior officers to develop leadership skills and to identify career paths and professional development opportunities. The new DA Pam 600-3 describes the RC branch and FA career paths and will serve as the foundation document for career management.

USAR senior leaders and career management officers will play critical roles in mentoring and assisting junior officers to develop leadership skills and to identify career paths and professional development opportunities

The USAR is currently analyzing the effects of OPMS XXI implementation and will re-code authorization documents accordingly. Once the implementation plan is fielded, further guidance to USAR officers will be published, and designated USAR officers will be required to change their FAs or request designation into new FAs to facilitate their career progression and support the USAR mission. Certain officers who transition into new FAs will require schooling for qualification. For new FA 45 reservists as well as AC officers, a four-week qualifying course, called the Army Comptroller Course, is being developed at Syracuse University in New York. An article in the 4th quarter RM will have details.

The Army's Strategic Human Resources Management Office is the OPMS XXI proponent. A reserve implementation update is also planned. More information is available at:

- http://www.army.mil/opms.

--RM

You say you want a revolution ...

by [redacted]

The quality revolution in government has picked up steam in recent years. Initially, organizations looked at quality improvements and efficiencies with a jaundiced eye, grave suspicion, or as something to do during the low points and valleys.

However, since the current theme has been to conserve scarce public resources, there has been a government-wide renaissance of the principles advocated in Total Quality Management. For example, during major command briefings to the Army's program budget committee last February 1999, commands were asked to address efficiencies — many achieved through process improvements — and their implications for out-year resourcing.

As RMs, we are the standard-bearers of quality improvement. Our challenge in that role is to assist organizations in ways of becoming more efficient and effective, of satisfying customer requirements and of transitioning to a fluid environment amid change and uncertainty — all without sacrificing quality. Here are some ways to do that:

Accountability

Be accountable for the outcomes of your work efforts. Individuals have a tendency to blame others for their mistakes. When a project achieves desired results, some employees will be the first on line to accept the accolades. However, when an unpleasant outcome surfaces, they refuse to accept any responsibility for it. Generally, these employees have a phobia.

They believe that if they make a mistake, they will be subject to adverse personnel actions such as receiving an unfavorable performance rating or being denied a promotion or tour extension.

The quality revolution demands that organizations begin promoting and encouraging new levels and standards of employee accountability, and that they expect employees to have a strongly embedded professional ethic, including accepting responsibility for their work. More importantly, if a project should run astray, leadership should depend on the professional employee to take the initiative to put the project back on its proper path.

Employees who lack the mettle to take responsibility for their efforts may find that official recognition, opportunities to participate in career enhancing training initiatives, and chances for promotion are extremely scarce. They often spend their time wondering how a junior employee has passed them on the "corporate ladder" or has now become their boss.

Their speech is riddled with clichés such as "I remember her when she was a GS-9," or "How did he get *that job* after messing up so much?" Many times it is not the "messing up" that counts but rather the final outcome and ultimate achievement. Hank Aaron struck out 1,383 times during his illustrious baseball career. However, he is remembered for slugging 755 home runs.

Service Center

Personnel should view themselves as individual "service centers." Employees play a dual role throughout their duty day—customer and service provider. As a customer, we expect prompt, courteous service from those organizations we contact to satisfy our needs. As a supplier, we assist customers who ask our help. Moments of Truth for an organization occur when customers contact us for assistance. During this transaction, the customer is evaluating the service received. A dissatisfied customer ruins the organization's credibility, and its employees will get a bad reputation. Consequently, stakeholders (customers, partners, and suppliers) may search for alternative sources (including those outside government) to satisfy requirements. Organizations may also find it difficult to retain employees and fill vacancies. In the long run, job security depends on how valuable employees are to their "customers." Henry Ford said it best: "It is not the employer who pays the wages. Employers only handle the money. It is the customer who pays the wages."

Value Added

In "A Message to Garcia," Elbert Hubbard eulogizes individuals who go the extra mile to complete any job given to them.

"My heart goes out to the man who does his work when the boss is away, as well as when he is home," he said. "And the man who, when given a letter for Garcia, quietly takes the missive, without asking any idiotic questions, and with no lurking intention of chucking it into the nearest sewer, or of doing aught else but deliver it. ... Civilization is one long anxious search for just such individuals. Anything such a man asks will be granted; his kind is so rare that no employer can afford to let him go. He is wanted in every city, town and village – in every office, shop, store and factory. The world cries out for such; he is needed, and needed badly – the man who can carry a message to Garcia."

Senior leadership and management want individuals who will carry a "message to Garcia."

Arriving at the jobsite just on time, working the standard eight-hour shift, and simply performing those duties that are written in the job description are no longer enough to guarantee continued employment. Organizations are looking for individuals who willingly take on and satisfactorily complete additional duties and challenging assignments, thereby demonstrating that they contribute more than they cost.

Employees often mislead themselves, assuming they have an absolute right to employment. Some of them even have the notion that continued, lengthy retention makes them priceless to the organization because, through attrition, they have become the corporate memory. However, in this austere budget environment, employees unwilling to take a message to Garcia will find that they are expendable and indeed replaceable.

Manage Your Own Morale

Management at all levels is responsible for providing a reasonably harmonious, diverse, safe, and harassment-free work environment. Yet, somehow, over the years, employees have come to believe that higher management is also accountable for morale.

Yes, the military provides various morale enhancing activities that nurture an atmosphere of camaraderie, foster physical fitness and stimulate the mind; however, whether an individual takes advantage of these activities is a matter of personal choice.

Basically, waiting for management to heal the wounded spirits within an organization will cause these people to hurt longer than necessary. If you put management in charge of your morale, you disempower yourself.

Practice Continuous Improvement

The old adage, "If it's not broke, don't fix it" no longer applies. Organizations aggressively search for industrious people who can find more effective and efficient ways of conducting business and producing an identifiable quality product or service – especially in this constrained budget environment. Creative analysts constantly review processes and procedures to determine if improvements and efficiencies could be realized without compromising quality.

For example, through the practice of continuous improvement, in fiscal 1998, the Eighth U.S. Army gained a one-time efficiency in spare parts inventory management by using a more on-time demand delivery method. It allowed the command to cut its parts inventory by $13.6 million. The Eighth Army also realized a $12 million efficiency in the same year by using an electronic bulletin board for contract bidding. The practice encouraged competition and allows small contractors to compete with multi-conglomerate Korean companies, driving down the cost of contracts awarded.

Initiatives in the 34th Support Group around Seoul have saved thousands of dollars and improved quality of life for service members and their families. In August 1998 a new partnership between the 34th's housing division and the local Korean Yongsan Realtors' Association created competition by expanding the number of participating realty organizations and slashing economy housing rental prices by up to 30 percent.

Continuous Improvement

The Shewhart Cycle for Learning and Improvement

The P D S A Cycle

PLAN –
A Change or test, aimed at improvement

DO –
Carry out the change or test (preferably on a small scale)

STUDY –
The results. What did we learn? What went well? What went wrong?

ACT -
Adopt the Change, abandon it, or run through the cycle again

figure 1

A short time later, the local Army post laundry resumed piece-rate service to its more than 8,000 eligible customers. In so doing, the plant boosted production from 60 to 90 percent of full capacity and cut piece-rate prices to a level up to 40 percent lower than on-post competitors.

The Army's battle-focused training is a prime example of continuous improvement applied to the war-fighter.

Considering the Army as a system, its quality product is a well-trained soldier who can deter aggression and survive on the modern battlefield. Training is at the core of military process improvement. Using Walter Shewhart's *Plan*, *Do*, *Study*, *Act* cycle as a continuous improvement model, the Army applies a similar training management cycle: *Assess*, *Plan*, *Execute*, and *Evaluate*. These four principles are embedded in Total Quality Management. Figure 1 depicts the models.

Continuous improvement as it relates to human resources is also of significant importance in an evolving organization. A robust organization offers its employees stronger job security; however, for an organization to perform well, management must embrace a quality enhancing concept and sell it to the employees.

Ultimately, however, the employees will either embrace and support management's concept of quality evolution, or nullify it. Therefore, structure, systems, culture, people and strategy all must be properly aligned. Employees have to eagerly strive to improve themselves through formal training, independent study and rotational assignments. If the employees are apathetic to the principle of continuous (self-)improvement, then the organization will lose its competitive edge through the ill affects of stagnation.

Some believe that business process reengineering or BPR makes "kaizan" (the principle of continuous process improvement) obsolete. Actually they complement one another. BPR focuses on large-scale restructuring to improve an organization's capability to economically provide a quality service or product in a timely manner. Since BPR is a large-scale overhaul, it is not efficient to routinely restructure the organization every time there is a [minor] change. As such, the philosophy of kaizan functions within the revised corporate structure to modify regularly occurring procedures and practices.

Battle FocusedTraining

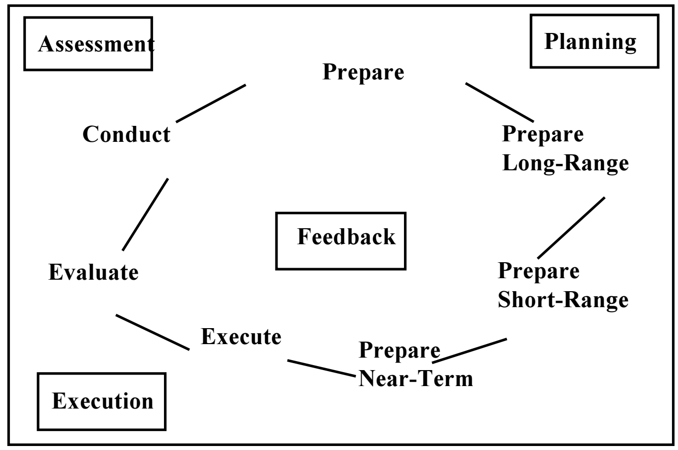


Figure 2

Be a Fixer, Not a Finger Pointer

Organizations need people who can solve problems, not merely point them out. Bringing a problem to the surface is an incomplete action. Think about the added value of having an employee or group of employees who not only bring problems to the boss, but also present a workable solution to the problem!

Organizations are depending more on process actions teams or PATs to develop solutions to unique, complex problems. Eighth Army has taken advantage of diversely composed PATs to streamline getting travel orders and train tickets, to mechanize many old labor-intensive processes, to cut out duplicated work effort by consolidating functions and tasks, and generally to reap efficiencies in many different kinds of processes.

Accept Ambiguity and Uncertainty

Peter Drucker has addressed courageous decisions. In reality, such decisions are made in a probabilistic environment; however, existing in the gray area is now a way of life for organizations and their employees.

We can no longer depend solely on our knowledge of the past or limit ourselves to near-term solutions. Instead, organizations need people who are comfortable with planning and programming in the challenging realm of long-term probability, who can develop defensible long-term forecasts on the growth and behavior of specific defense programs, and who can tie these forecasts into an organization's long-range plan.

The "Self Employed" Mentality

In the "Message to Garcia" example above, employees may be able but not necessarily willing ("self employed") to carry such messages. The self-employed mentality is one of creativity and entrepreneurship, characterized by mission focus and self-starting. We can no longer afford to throw more people and money at problems. The command recognized that 10 years ago, when its commanding general noted, "The commitment to improve productivity is a key element in maximizing resource utilization ... We must continue to look for productivity initiatives to offset the increase in cost of business."

Managers and supervisors want their civilian military subordinates to be highly committed to their jobs, extremely competent and confident, and to have an owner's stake in the success of the organization. The lackluster attitude of "so what, it's the government," and "not bad for government work" is *out the window*, and employees who practice this antiquated, unacceptable work ethic will find themselves *out the door*.

Adapt to Change

Organizations must continue reshaping themselves to survive in this rapidly changing environment. A well-known phrase in today's business communities is "Change is the only constant."

But do we understand its implication? Organizations and employees need to adapt to changing mission requirements, state-of-the-art technological advances and alternate methods of performing essential core functions and tasks. If they fail to do so, they will become extinct. Consider that the Russian army in World War I failed to organize itself based on competencies instead of class structure — which greatly contributed to its demise.

The military organization on the Korean peninsula is a prime example of how an organization adapts to change. The United Nations Command, Combined Forces Command, U.S. Forces Korea and Eighth Army combined headquarters was once a single integrated command structure for military operations in Korea.

Over the years, because of the quad-command's growth and added responsibilities, the integrated structure confused areas of responsibility. Organizational goals and objectives became nebulous.

Likewise, the double and triple-hatting of commanders and staff principals hampered effective command and control, denied the organization the ability to adapt to changing mission requirements, and hindered the expeditious transition from an armistice environment to war.

So in 1996, the command decided to stand-up Eighth Army as a separate headquarters, the Army Service Component Command. Army personnel transitioned from an integrated staff structure to an Army-pure environment – similar to the Air Force and Navy Components within theater.

This restructuring helped the Eighth Army commander to direct efforts of his organization, quickly adapt to changing situations and mission requirements, clearly delineate goals, objectives, and responsibilities, get resources when needed, and rapidly transition to a wartime posture.

The capability to lead change lies in the organizations' ability to accurately assess current state and identify and implement results of business process redesign. Organizations and employees who diligently prepare for a fluid environment, readily accept change as a means of survival, and easily adapt to challenging, dynamic adjustments within the organization will survive. Those which do not will perish.

Conclusion

Transitioning to the principles of the quality revolution will go easier if organizations and their employees accept continuous improvement as a daily philosophy and work within the atmosphere of change and uncertainty. Everyone will have to assume greater responsibility for their own morale and for the success of their organizations. The "it's not my job" or the "9 to 5" attitude will no longer be accepted. Successful organizations are looking for those individuals who are willing to be proactive in accomplishing the mission and in satisfying customers.

Finally, an organization is only as good as its people. Management must accept the precepts of the Quality Revolution, and re-structure to support the ideals of Total Quality Management.

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Multi-Disciplined Financial Analyst:

An Initiative Keeping Pace with the Changing Face of the Workplace.

by [redacted]

The workplace has been affected by a number of significant changes or trends which have definite ramifications for your career planning.

Less job security

Gone is the era of high job security, with the same employer for life, where good employees automatically move up well-defined career ladders.

Even in the federal sector, in response to increased pressures to reduce costs, solutions like restructuring, downsizing and automation will continue to eliminate some jobs and drastically alter others.

Employees will need to be more flexible, adaptable and creative in identifying their next job, and they may need to consider lateral moves or rotational assignments to broaden their experience or leverage their skills

Workers will of necessity need to be more mobile in finding the right jobs — and the right employer.

Up is not the only way

With thinning of management positions and flattening of organizational structures, the traditional linear career patterns will be less available.

Employees will need to be more flexible, adaptable and creative in identifying their next job, and they may need to consider lateral moves or rotational assignments to broaden their experience or leverage their skills.

Technical knowledge and skills obsolescence

Rapid advancements in technology and state-of-the-art knowledge require employees to upgrade their skills and "re-tool" themselves just to remain current in their job requirements.

For example, in high-technology organizations, some skills have a half-life of 18 months.

Also, missions and projects end and new ones begin, often requiring new or different technical skills or expertise from the workforce.

The Initiative

CP 11 leaders recognize innovation as key to continuing Army financial management or FM community effectiveness in the new millennium.

Our approach is to develop FM careerists with multi-functional and multi-dimensional capability to analyze and handle diverse financial situations.

This is a primary CP 11 Strategic Plan initiative for the Redesign of Army Financial Management.

It envisions multi-skilled analysts accredited in a wide range of core competencies: auditing, accounting, costing, budgeting, management and program analysis and leadership.

Focus is on formal education, training, professional development, performance-enhancing rotational assignments and accreditation.

Training and education progressively grow core competencies at basic, intermediate and advanced levels.

Professional development comes from exchange programs, developmental assignments and fellowships. Job experiences, across financial disciplines and from field to headquarters, build performance.

Accreditation will determine that one meets minimum requirements for a specific level in a career field.

Core competencies: Knowledge, skill and ability

The Multi-Disciplined Financial Analyst, or MDFA, initiative has at its basis 17 core competencies that identify the kinds of knowledge, skills and abilities a multi-disciplined financial analyst will need.

A competency is defined as "a combination of knowledge, skills and abilities in a particular discipline which, when acquired, allows a person to perform a task or function at a specifically defined level of proficiency."

Figure 1 -- Multi-Disciplined Financial Analyst
Accreditation Requirements (Financial Analyst, Accountants, Auditors and Cost Analysts)

FINANCIAL ANALYST	ACCOUNTANTS	AUDITORS	COST ANALYSTS	ACQUISITION CORPS CP-14
LEVEL I	**LEVEL I**	**LEVEL I**	**LEVEL I**	**LEVEL I**
— *Planning, Programming, Budgeting and Execution System (PPBES)* — Fiscal Law Course — 1 Financial Stewardship Courses — 1 Financial Decision Support Courses — 2 Leadership & Organizational Development Courses --- 2 Performance Enhancing Job Experience Rotational Assignments	— Planning, Programming, Budgeting and Execution System (PPBES) — 1 Accounting Course — 1 non-Accounting Course — 1 Leadership and Organizational Development Course — 2 Performance Enhancing Job Experience Rotational Assignments	— Planning, Programming, Budgeting and Execution System (PPBES) — 1 Auditing Course — 1 non-Auditing Course — 1 Leadership and Organizational Development Course — 2 Performance Enhancing Job Experience Rotational Assignments	— Planning, Programming, Budgeting and Execution System (PPBES) — 1 Cost Analysis Course — 1 non-Cost Analysis Course — 1 Leadership and Organizational Development Course — 1 Performance Enhancing Job Experience Rotational Assignment	— Planning, Programming, Budgeting and Execution System (PPBES) — 2 Mandatory Acquisition Corps Courses — 1 Leadership and Organizational Development Course — 1 Performance Enhancing Job Experience Rotational Assignment
LEVEL II	**LEVEL II**	**LEVEL II**	**LEVEL II**	**LEVEL II**
— 2 Financial Stewardship Courses — 2 Financial Decision Support Courses — 2 Leadership and Organizational Development Courses — 2 Performance Enhancing Job Experience Rotational Assignments	— 1 Accounting Course — 1 non-Accounting Course — 1 Leadership and Organizational Development Course — 2 Performance Enhancing Job Experience Rotational Assignments	— 1 Auditing Course — 1 non-Auditing Course — 1 Leadership and Organizational Development Course — 2 Performance Enhancing Job Experience Rotational Assignments	— 1 Cost Analysis Course — 1 non-Cost Analysis Course — 1 Leadership and Organizational Development Course — 2 Performance Enhancing Job Experience Rotational Assignments	— 2 Mandatory Acquisition Corps Courses — 1 Leadership and Organizational Development Course — 1 Performance Enhancing Job Experience Rotational Assignment
LEVEL III	**LEVEL III**	**LEVEL III**	**LEVEL III**	**LEVEL III**
— 2 Financial Stewardship Course — 2 Financial Decision Support Courses — 2 Leadership and Organizational Development Courses — 2 Performance Enhancing Job Experience Rotational Assignments	— 1 Accounting Course — 1 non-Accounting Course — 1 Leadership and Organizational Development Course — 2 Performance Enhancing Job Experience Rotational Assignments	— 1 Auditing Course — 1 non-Auditing Course — 1 Leadership and Organizational Development Course — 2 Performance Enhancing Job Experience Rotational Assignments	— 1 Cost Analysis Course — 1 non-Cost Analysis Course — 1 Leadership and Organizational Development Course — 2 Performance Enhancing Job Experience Rotational Assignments	— 2 Mandatory Acquisition Corps Courses — 1 Leadership and Organizational Development Course — 1 Performance Enhancing Job Experience Rotational Assignment
LEVEL IV	**LEVEL IV**	**LEVEL IV**	**LEVEL IV**	**LEVEL IV**
— 1 Financial Stewardship Course — 2 Leadership and Organizational Development Courses — 1 Performance Enhancing Job Experience Rotational Assignment external to the organization	— 2 Leadership and Organizational Development Course — 1 Performance Enhancing Job Experience Rotational Assignment external to the organization	— 2 Leadership and Organizational Development Courses — 1 Performance Enhancing Job Experience Rotational Assignment external to the organization	— 2 Leadership and Organizational Development Courses — 1 Performance Enhancing Job Experience Rotational Assignment external to the organization	— 2 Acquisition Corp Mandatory Leadership and Organizational Development Courses — 1 Performance Enhancing Job Experience Rotational Assignment external to the organization

We put the 17 competencies into three groups, Financial Stewardship, Financial Decision Support, and Leadership and Organizational Management, as shown in Figure 1.

We took this approach to associate them logically and functionally and also to re-focus thinking away from traditionally narrow, specialized subject areas and job series.

Career Path Components

The MDFA initiative consists of Formal Education; Training; Performance Enhancing Job Experience(s), Professional Development and Accreditation.

The first four of these components are interrelated elements of career growth.

Formal Education has a central and distinctive role in career growth. Education provides the basic intellectual tools and habits for effective training, competent job performance and professional growth.

Experience is the concrete application of education and training to specific situations to accomplish organizational tasks

Education includes more than the accretion of knowledge, the ability to think and the development of inquisitiveness; it is also value laden and reflects the growth of an empowered and entrepreneurial professional. Education must exist for training to be effective.

Training and professional development complement both education and experience in career growth.

Education is generally long-term and conveys a general application; whereas training is short-term, focused on the immediate and the practical.

The emphasis on training is practical application: what to do and how to do it. Training focuses on acquiring limited job-related skills to meet organizational goals.

While education deals with a complex set of attitudes, skills and values, training deals with skills and competencies.

Experience is the concrete application of education and training to specific situations to accomplish organizational tasks. It validates the training and enhances the knowledge acquired. Experience is indispensable to career growth.

Anchored on a solid educational base, training and experience are inextricably linked. Over the course of career progression, one's experience, which reinforces training and revalidates education, becomes ever more important to competency and career growth.

Accreditation is a management tool to guide professional development of FM careerists in the Army. Its purposes are:

(1) to formally recognize individuals' demonstrated performance and capabilities, and

(2) to assure all professionals are qualified in terms of education, experience, and training and have demonstrated requisite leadership skills to perform duties of current positions or those of greater responsibility and authority.

Accreditation is based on the quality and quantity of training accomplished and on credit for all relevant individual professional experiences.

All MDFAs will complete specific mandatory training courses to progress from one level of accreditation to the next. These courses will ensure that all careerists have the same basic foundation in FM functional training.

Training will be tailored to careerists' individual target accreditation levels. The core training is designed to preserve the specialized nature of many current career functional disciplines.

There will be four levels of accreditation. Progression from one accreditation level to the next is NOT linked to a particular position held or grade attained.

The accreditation program will guide employees through these four progressive levels in the career life cycle to enhance both professional and personal development:

Level I

Performs fundamental, basic and routine activities while gaining subject matter expertise. Generally, works under close supervision of a team leader or supervisor.

Level II

Functions independently and applies

knowledge and experience to variety of complex situations. Works with minimal guidance and direction from team leader or supervisor.

Level III

Serves as senior specialist/analyst, team leader or supervisor and is a recognized expert with broad scope of responsibility and high visibility.

Level IV

Has executive responsibility for installation, directorate or agency level policy and implementation.

Careerists who attain accreditation Level IV, the highest level, will still need to continue growing professionally, and that will be done by training at a rate of 40 Continuing Professional Education units per year.

All employees need to take responsibility to create career development plans and initiate actions that lead to career goals

The requirements for accreditation training at all levels will be identified on each careerist's Three-Year Individual Development Plan.

Proposed Accreditation Requirements

All Army FM careerists, not only the MDFAs, will participate in the accreditation process, to attain and preserve professional breadth.

Certain "hard" skills in the specialized series of 510 (Accounting), 511 (Auditing) and 1515 (Cost Analysis) and the positive educational requirements for them will still be necessary, even with MDFAs in the workforce.

Accreditation requirements for these specialized series will complement, not duplicate, those for MDFAs and any for Business, Cost Estimating and Financial Management as given for the Army Acquisition Corps and Work-force. See Figure 2.

Professional development is a shared responsibility of the employee and supervisor.

The Three-Year Individual Development Plan

All employees need to take responsibility to create career development plans and initiate actions that lead to career goals.

To optimize current and future employee contributions, supervisors and managers must actively participate in developing employees' career plans.

Their involvement includes periodic assessment of each employee's knowledge, skills, abilities and experience, which then leads to forming a 3yIDP for work assignments and training that promote Army and employee goals.

The 3yIDP concept emphasizes discussion and joint decisions by the employee, the supervisor and the validator, with input from the careerist's mentor.

The plan addresses specific developmental experiences needed to fulfill mutual goals of individual career development and organizational enhancement in the next three years.

Growing people

Each 3yIDP is necessarily unique; e.g., one person might identify extensive skill training, another a more academic approach.

There is no set pattern; the term "individual" is basic to the concept, especially as it applies to one's willingness and capacity to learn and to grow.

The underlying theme of the initiative is to *grow people* by promoting growth throughout the careers of all professionals.

This process of developing and promoting growth must be a continuous and cumulative process.

The program component goals for this process of:

- Formal Education
- Training
- Professional Development
- Performance Enhancing Job Experiences
- and Accreditation ...

will posture Army financial management careerists in their professional transition from a narrowly focused expert to a multi-disciplined, and multi-dimensional specialist of multiple financial disciplines.

Employee/Member Self Service comes to DFAS

DFAS Public Affairs

Change your own federal payroll withholdings and allotments yourself? You?

Yes, You! The day is not far off when you, the DFAS-paid military or DoD civilian *RM* reader, will be able to do just that.

This fall, the Defense Finance and Accounting Service begins a new service called Employee/Member Self Service -- E/MSS. It will allow DoD customers to update certain pay information by using a personal computer to access the system via the World Wide Web or by using a touch-tone telephone via the Interactive Voice Response System.

The day is not far off when you, the DFAS-paid military or DoD civilian RM reader, will be able to change your own federal payroll withholdings and allotments yourself

As currently planned, E/MSS will be available to DFAS customers serviced through the Defense Retiree and Annuitant Pay System, the Marine Corps Total Force System and the Defense Civilian Pay System by the end of October. Customers of the Defense Joint Military Pay System will get E/MSS capabilities later.

Once implemented, DFAS payroll customers will be able to change their own federal tax withholding status and exemptions; start, stop or change allotments (this feature is not a part of the annuitant payroll system); change their correspondence address; and update their financial institution electronic fund transfer information.

Future options under E/MSS will include transactions such as starting or stopping savings bonds and changing state taxes.

System Security

E/MSS Internet transmissions will be encrypted using 128-bit encryption and secure socket layer technology. Access to the system will be controlled by personal identification number.

Customers will be asked to customize their PIN when accessing the E/MSS the first time, and the PIN will be validated each time the customer signs on.

In addition to the PIN, customers will need access to a PC with one of the following industry-standard browsers to access the web version of E/MSS: Netscape Navigator version 3.0 or version 4.01 or higher, Microsoft Internet Explorer version 4.0 or higher, or Netscape Communicator.

After accessing the system, menus will guide customers through desired transactions. After the customer has made changes, the system will ask to confirm the action and then show when the change will be reflected on the pay record.

"This system provides an alternative to completing and submitting forms and will provide reliable and accurate information. Most importantly, E/MSS will be a secure way for customers to update payroll-related transactions at their own convenience, with minimal effort and without the delays inherent in paper-based processes," said Gloria Cranford-Bates, E/MSS project officer.

Customers who do not have access to a PC or who prefer the existing system of making pay changes will still be able to visit their local accounting and finance office or customer service representative to submit hard-copy forms.

They, and anyone else, will also be able to use IVRS, the touch-tone telephone method, for updating federal tax status, discretionary allotments, and electronic funds transfer address for net pay.

Electronic LES

Another benefit of the E/MSS is the availability to military customers of an electronically delivered leave and earnings statement or E-LES.

A test of E-LES is planned later this fall among volunteers at U.S. Air Force facilities in Europe, the service academies, DFAS military members, the Norfolk Personnel Support Activity and Fort Carson, Colo. Some time after the test, there will be an announcement about general customer use.

To find out more, visit the DFAS website at http://www.dfas.mil/.

E-check:

Will digital checks replace paper for the 21st Century?

by [redacted]
DFAS-Indianapolis

No one is sure when the first check was written or chiseled into a piece of wood or stone. Some experts think the Romans may have invented the check about 352 B.C.

The earliest evidence of deposits subject to “cheque” pertains to medieval Italy and Catalonia. In the primitive banks of deposits in those areas it was necessary for the depositor to appear in person before a banker either to withdraw funds or to transfer them to an account of another customer. The practice of using written instruments for those purposes gradually evolved.

In North America, checks are said to have first been used in 1681 when cash-strapped businessmen in Boston mortgaged their land to a fund, against which they could write checks. The first printed checks are traced to 1762 and British banker Lawrence Childs. The world *check* may have originated in England in the 1700s when serial numbers were placed on these pieces of paper as a way to keep track of—or “check” on—them.

For most Americans, June 30 was just another workday. But for DFAS employees, the Department of the U.S. Treasury and the Finance Services Technology Consortium, it will be remembered as the day Electronic Funds Transfer came of age. For on that day, DFAS made history, sending its first payment (the first government payment) over the internet via electronic check, or e-check. An Air Force contract was paid for $32,000 to GTE Government Services, from the DFAS Columbus Center.

Since that time, DFAS Indianapolis has disbursed over one million dollars by e-check, and DFAS Columbus has processed nearly a half million in payments.

DFAS, in partnership with the U.S. Treasury’s Financial Management Service and the Financial Services Technology Consortium, is involved in a pilot test to evaluate electronic checks. The electronic check is a leading-edge, innovative technology being developed by FSTC. The opportunity to develop a low-cost electronic payment solution is being tested at DFAS-Columbus and DFAS-Indianapolis.

DFAS disburses more money than any other government agency, so the decision to use e-check was an easy one. The FSTC Treasury pilot program is expected to continue for about a year and involve up to 50 vendors receiving contract payments through SRD-1 from either the Columbus or the Indianapolis center.

What is the FSTC Electronic Check?

Electronic Checks are all-electronic instruments for individuals and businesses to deposit money or make payments from existing bank accounts in a safe, secure and convenient manner using the internet. It is an electronic substitute for the paper check. Like paper checks, e-checks are exchanged between individuals and organizations as legally binding promises to pay, according to FSTC.

E-check is just what its name implies, an electronic substitute for the paper check. An Electronic Check is a personal computer version of a paper check, and it complies with EFT99 requirements for electronic government payments. It includes all of the information found on a traditional paper check, such as payee name, amount and date. The secure electronic file also contains user-defined data regarding the purpose of the check. During the pilot test, the Electronic Check will be forwarded with the current Advice of Payment as an electronic attachment and will go directly to the payee. There will no longer be a need to mail an advice of payment to give the vendor information regarding the specifics of a payment.

In the pilot process, the Indianapolis and Columbus centers identify payments to pilot participants. These payments are then processed just like a hard-copy check transaction, but instead of sending the check print file to the check printer, the e-check payments are diverted to a data file.

Once those data files reach the personal computer, called the Signature PC, they are authorized by the disbursing officer, who digitally signs the checks with a smart card. Once the disbursing officer has signed such a payment, a security officer also digitally signs it. The digital electronic signature applied by the smart card generates a unique mathematical algorithm (signature) that can be verified by vendors, the U.S. Treasury, banks and the Federal Reserve bank to authenticate who has processed the check item; but the signature cannot be duplicated. The files are then transmitted over a virtual private network to the U.S. Treasury's Secure Confidential Information Facility, where they are converted into Financial Service Markup Language, a language developed for the e-check pilot system.

E-checks maintain the functionality of hardcopy checks and adheres to the same payment principles that companies have followed for decades

Once the files are converted, they are then encrypted and sent to each payee via the internet. Each payee can then pull up the check, endorse it digitally, prepare an electronic deposit slip and forward the secure, encrypted document to the financial institution. The bank then electronically presents the e-checks to the Federal Reserve Bank of Boston. The entire channel of the e-check is electronic from start to finish.

E-checks maintain the functionality of hardcopy checks and adhere to the same payment principles that companies have followed for decades. E-checks also offer versatility by allowing the payer to include as much or as little detail with each payment as he or she wishes.

With e-checks, the payer can easily send an Advice of Payment with any electronic payment, simplifying the vendor accounting process. Additionally, e-checks, like their paper counterparts, are legally binding.

Another benefit of the e-check program is enhanced security, which reduces the risk of fraud. E-check information is encrypted, and only authorized personnel have the digital signature smart card. Electronic checkbook access is protected by a personal identification number. E-checks have multiple levels of security, including encryption, digital signatures, authentication, password protection and the latest smart-card technology using public/private key infrastructure.

Unlike handwritten signatures, digital signatures are virtually impossible to forge, and once signed, an e-check cannot be altered. Electronic payments are automatically verified at each step, creating an audit trail for each e-check processed.

What is a Digital Signature?

A digital signature is a unique number, calculated using mathematically sound techniques, which can only have been produced by one person for the specific document being signed. While a digital signature can be verified by anyone, it can be created only by the individual authorized to use that signature.

The National Institute of Standards and Technology has established a digital signature standard that specifies a digital signature algorithm to be used to generate digital signatures. When a document such as the e-check has been digitally signed, the recipient can verify that it is authentic, that it was signed by the authorized individual, and that it was not altered or modified in any way since being issued. Unlike handwritten signatures, digital signatures are virtually impossible to forge. Also unlike handwritten signatures, verification and authentication are performed systematically and are absolutely precise. Thus, an issuer of a digitally signed document cannot, a later time, repudiate the signature

The passage of the Debt Collection Improvement Act of 1996 requires practically all government payments to be made electronically. Currently, approximately 60 percent of our vendor pay customers receive payments through electronic funds transfer, but some small and mid-sized businesses seem reluctant to sign up for EFT.

E-checks help solve the problem by using the latest technology with an established payment model to bring the benefits of EFT electronic commerce to all customers at an affordable cost. To enroll in the pilot, the vendor only needs a PC and an e-mail account.

E-checks facilitate DFAS efforts to expand new technology and improve business practices. E-checks are looked upon by many as the next generation of payment system, and to date, the technology is only available to financial payment applications over the internet that meet stringent U.S. Treasury standards. E-checks allow smaller businesses to leverage advances in technology without large investments.

"The most significant advance in business transactions since the printing of the dollar bill," said Matt Kovar, with the Yankee Group.

Additional pilot information is available at the e-check website: http://www.e-check.org.

"We expect this market trial to be the first in a series leading to commercial roll-out that will lay the groundwork for this electronic payment mechanism to meet and exceed market demand long into the 21st century" said Gary Grippo, Program Manager for Electronic Money, US Treasury's Financial Management Service.

He noted that Treasury was attracted to the FSTC's e-check for a number of reasons.

"The inherent security in the technology's design has proven to be the only solution that satisfies the Government's stringent security requirements," he said.

The U.S. Treasury and DFAS are actively seeking options to comply with the Debt Collection Act of 1996. E-checks could be the pivotal payment process that ensures EFT electronic commerce will live up to its potential as one of the most advanced electronic payment methods for the future.

The Joint Review Process

What it really means from an operations point of view

by [redacted]

Given recent emphasis by the Office of the Assistant Secretary of the Army, Financial Management and Comptroller, the budget community is on notice to substantially improve clearing many different types of open obligations and disbursements. Armed with practice, know-how and several good research tools, analysts will be in a position to help the American public and Congress regain confidence in the Defense Department as a good steward.

Budget personnel will find that with more frequent scrubbing of unliquidated obligations, unmatched disbursements, negative unliquidated obligations and commitments without obligations, the joint review process can become less cumbersome and funds better utilized.

Understanding how to research and clear these four types of transactions more frequently than minimally required for formal joint reviews will help budget analysts become better managers of government funds.

Understanding how the transactions flow through the accounting system and knowing points of contact and when and where to search for data will help tremendously.

Many budget analysts may need practice in using the different accounting systems to find transaction status. Examples are the Accounting Transaction Ledger Archival System, the Standard Army Finance System Dataquery, the Integrated Logistics Analysis Program and the databased Commitment Accounting System.

These reference sources are for all fiscal years with open transactions, not only the current year.

A formal joint review of unliquidated commitments and obligations is done in three phases:

(I) Review appropriations that will be canceled;

(II) Review of transactions funded by expired appropriations and

(III) Review current year unliquidated obligations.

Most analysts wait until the formal process to start reviewing open transactions.

That leads to additional, sometimes overwhelming, workload and stress to accomplish in a couple of weeks what should be analyzed on a more deliberate basis as part of their daily work.

Following are illustrations of the joint review process and its types of transactions and explanations of available resource material to clear ULOs, NULOs, UMDs, commitments without obligations, advances, reimbursables (automatic and direct) and tuition assistance obligations.

Phase I (October-January) addresses transactions funded by appropriations that will be canceled the following Oct. 1. Once these are reviewed, the only remaining unliquidated obligations should be those available for contracts that will require payment.

By the end of phase II, the only remaining unliquidated obligations should be for contracts and long-lead-time supply and equipment items

The open contracts represent firm liabilities for which there is substantial evidence of work in process. Action must be taken during this phase to ensure that quick close-out or interim payment procedures are initiated as needed for contracts funded by expired appropriations due to close by fiscal year end.

The budget analyst/technician must verify the validity of current year obligations and amounts recorded.

Phase II (February-May) looks at transactions funded by expired appropriations. By the end of this phase, the only remaining unliquidated obligations should be for contracts and long-lead-time supply and equipment items for which there is a continuing bona fide need.

It's also well to follow up Phase I efforts to ensure that corrective actions are being taken as planned (2:28-17).

Phase III (June-September) examines current-year unliquidated obligations and amounts recorded. In this process, orders, contracts and requisitions are adjusted as needed to ensure the unliquidated obligation amount is correct.

Follow-up should continue on Phase I and II efforts to ensure that corrective actions are being taken as planned. The importance of this last joint review process cannot be overstated.

It is the last chance for accounting and budgeting personnel to sit face to face and clear up unnecessary transactions and any miscommunications.

This phase is budget analysts' last comprehensive chance to relook and deobligate current-year transactions for reuse before fiscal year end. (2:28-17)

Some problems encountered during joint reviews are in travel, contracts/purchases, military interdepartmental purchase requests or MIPRs, stock fund items, commitments and NULOs. Following are typical examples in these categories that analysts might encounter during a review.

Travel

No action was taken by budget personnel to work the non-stock fund orders and payables listing. No supporting documentation or justifications were provided for travel deobligations. Foreign national travel amounts were obligated under the wrong obligation data code. Late obligations were being passed via dbCAS to STANFINS after the traveler had settled the travel account. An obligation was automatically posted by the accounting system, resulting in a double obligation. Travel orders were not maintained.

Contracts/Purchase Orders

There was confusion on how to close a contract. No research was done to check the status of contracts to find out whether the contracts were completed, canceled or still valid. Analyst did not know how to research contracts to find out status. There was no working relationship with the management accounting division.

MIPRs

Direct cite MIPRs contracted inside the U.S. lacked supporting documentation such as point of contact name or telephone number. Ordering activities neglected to inquire why no bill had been received. MIPR obligations were duplicated when overseas temporary duty or TDY orders were cut in the U.S.

No action was being taken to clear old MIPRs, or no supporting documentation accompanied the request, such as MIPR Acceptance, DD Form 448-2 (6:1).

Stock Fund Items

Budget personnel lacked understanding of how stock fund transactions were processed. They also did not know how to research and clear them, that is, by going through the supply support center to find out status of supply items (7:1).

Commitments and NULOs

Budget analysts and sometimes accountants were not sure what to do about government bills of lading and transportation requests. Scrubbing of dbCAS was not being done, owing to "too busy to monitor and research transactions." Budget personnel were reluctant to work prior year transactions, stating that funding no longer belonged to them (8:1).

Solutions

Here are some possible solutions to problems uncovered during joint reviews:

Travel

Keep copies of travel orders in a file maintained by orders number and month. Reconcile on a weekly basis, dbCAS to STANFINS input, to ensure all travel orders are posted correctly and timely. Some daily methods include reviewing the detailed obligation report (shows all transactions data) and querying STANFINS data such as the daily file (AB6), current month file (NXG), prior month file (AJU) or closed history file (AX5), or the unliquidated obligation file (LXG) to clear mismatches. Ensure that travelers know to send budget personnel a copy of the travel settlement and to settle within five working days after returning. Budget personnel should contact travelers to find out why they have not settled, and if they have, to get copies of settlement vouchers. Do not wait a long time to clear up travel. The older a transaction, the harder it is to clear (e.g., military travel specific allotment, MTSA). If a traveler received an advance, ensure it is collected back with the settlement or via debt management procedures.

Contracts

Find out the status of the contract from the vendor pay division or from the contracting office if the contract is not in the commercial accounts processing system. If the contract or purchase order is complete, find out why it is still listed as open. Small amounts could be attributed to a discount taken when the bill was paid. If the last billing was stated as final, Accounting Operations should process the final card to automatically deobligate any remaining balance for the contracts which Accounts Payable processed with payment type code "F". If that doesn't happen, budget personnel should contact their designated accounting point of contact to find out what happened and ensure an adjustment is done.

MIPRs

Ensure that a copy of the contract is attached to a direct cite MIPR or forwarded soon after MIPR acceptance, since the MIPR is probably not yet in the accounting system. Monitor MIPRs on a regular basis to ensure billings are taking place and they are correct. If no billings are received, check with the MIPR point of contact to see if the request is still needed. If needed, find out where bills were sent or if any were ever processed. If the MIPR is no longer needed, it must be amended or nullified with an acceptance via stamp, or DD Form 448-2 issued to deobligate the balance for large dollar amounts. For small amounts, if the last billing states "Final," the MIPR can be deobligated. No amount is too small to clear. The objective is to spend and account for funds efficiently and effectively. This approach helps to ensure there are few or no transactions left open in an appropriation in the fiscal year it is scheduled to close.

Budget personnel were reluctant to work prior year transactions, stating that funding no longer belonged to them

Stock Fund Items

Supply transactions must be cleared through the supply support center. Verify through the supply channel that all items were received, partially received or not received. If wishing to cancel items already ordered, budget personnel must go through the supply support center.

Some items cannot be canceled if the material has been released from the depot, or an estimated ship date has been established or an interfund bill has been received by Supply Management Army. If the item has been received but still shows as being open on the non stock funded orders and payables or NSFOP, first check with in-house supply points of contact such as property book officer, motor pool or petroleum oil and lubricants clerk.

The status can also be checked through the command ILAP, which was designed to help budget and accounting people determine status and clear supply transactions without relying totally on supply points. The system is fairly easy to use. The analyst or technician queries by document number and can view all data for each transaction in both accounting and supply systems. The command ILAP shows supply status codes, which tell if something was canceled, rejected or back-ordered. Next, the analyst annotates the NSFOP with status codes shown and acts with SMA to clear the transactions.

If a line item is closed at the supply support center but still active in STANFINS, then the analyst so annotates, and SMA will reconcile the financial inventory accounting or STARFIARS data to STANFINS to close the line. If there is disagreement between amounts obligated and disbursed or between numbers of items ordered and received, then the analyst or technician again coordinates through SMA to correct the problem. This also applies to medical stock items. Every supply item must be checked separately through the supply support center. Accounting Operations cannot deobligate stock fund items unless they are closed in the supply system (1:2).

The importance of the review of unliquidated obligations is in the mandatory DoD guidance to the military services, who in turn pass it down the chain of command to installations

The importance of the review of unliquidated obligations is in the mandatory DoD guidance to the military services, who in turn pass it down the chain of command to installations, which carry it out for commitment and obligation transactions recorded in official accounting systems. The transactions are reviewed for accuracy, completeness and timeliness during each of the review phase periods ending on January 31, May 31 and September 30 of each fiscal year. Phase I reviews must be completed and documented by Feb. 14, Phase II reviews by June 14 and Phase III reviews by Oct. 14 (5:1) (4:1).

Commitments should scrubbed daily to ensure that no abnormalities or mismatched obligations or commitments are in dbCAS. To monitor commitments, the analyst gets a report from dbCAS listing all commitments without obligations (3:no#), and also runs report(s) for obligations without commitments. Some of these lines may be mismatched due to erroneous elements of resource or document number. There are very few reasons for a commitment without obligation to be more than 30 days old. If a week or two goes by and the analyst has not received acceptance to a MIPR, then it's best to contact the accepting entity to find out if there is a problem. Direct fund cite MIPRs are one of the biggest problems for DoD, due normally to waiting for award of a contract. A reimbursable MIPR is obligated on written acceptance by the performer. A direct MIPR requires obligation based on supporting documentation (e.g., travel order, contract). Each commitment without obligation is annotated with the reason why no obligation is yet posted and when one is expected. If that is not done, the activity has failed its joint review process. It's a hard lesson for some budget personnel to learn.

NULOs can occur for various reasons, and the recently established prevalidation process has helped to reduce them. A common NULO source is mismatches generated from the supply interface. ALTAS is a great help in clearing these abnormal transactions. The problem usually is that the accrual and the disbursement are posted to the wrong account. Instead of the depot supply unit receiving its accrual and disbursement when receipt of goods is processed, it goes against the activities' account, thus creating a "negative unliquidated obligation." ATLAS helps by querying on the document number, enabling an analyst or technician to find actions associated with the transaction and determine where the accrual and disbursement should be moved (3:no#).

This is also true for travel obligations, government bills of lading and transportation requests. Once the analyst has found the supporting documentation or the travel order associated with the GBL or TR, the disbursement is then moved from the erroneous or dummy document number used to process the payment to the correct document number, and the NULO and ULO thus get cleared at the same time. Generally there is little problem with local GBLs or TRs, since their information can be gathered from the local transportation office.

GBLs and TRs processed by another installation often come with no supporting documentation accompanying the transaction by others or TBO.

Access is available for personnel to go on the internet to a Defense Finance and Accounting Service or DFAS web address to find GBL and TR numbers and download and print vouchers with supporting documentation. There is still some time lag, but it saves at least two months processing time, which means it's now possible to catch and fix NULOs before they get to be 180 days old, the stated Army goal.

Miscellaneous obligation documents or MODs are very restrictive in use, but budget analysts love to hide money in them. MODs are used for transactions that have no other way to be obligated. Examples are communications, utilities, impact bills, blanket purchase agreements and of course payroll. MODs are good only for 30 days and must be justified. MODs not justifiable have to be deobligated. That forces budget personnel to ensure that better contracts, travel orders, and MIPRs are prepared.

Clearing tuition assistance also is often difficult, in that an extra step through the civilian personnel advisory center is usually necessary. If follow up is not done promptly after a course is completed, the transaction will sit seemingly forever on the NSFOP. The process should work as follows: The unit or individual prepares a DD Form 1556, Request for Training.

After completed and signed by the individual, the supervisor and the certifying officer, the form is taken to Personnel for processing. After the class is completed, the course instructor the 1556 attesting to successful completion. The form is then turned back in to Personnel, a copy placed in the person's official personnel file, and the original forwarded on a transmittal to the paying accounting office for processing. The problem is the last part doesn't happen on time.

Budget personnel must visit, call or e-mail Personnel to process or return the DD 1556 if the service providing the training no longer wants to be reimbursed. The key is (as with all other transactions), the longer transactions sit without action, the harder it is to clear them off.

You have just read through an exhaustive account of the tremendous amount of perseverance and relentless pursuit of detail that are a big part of what it takes to be a good Army field budget analyst. This is one veteran's version of what it takes to do the job right. This kind of work isn't easy, but it's worth doing and worth doing well, to give American taxpayers a fair accounting of where their money is going in support of their Army. Together, we can help to restore the Defense Department's image before Congress and the nation as a good steward of its resources.

This kind of work isn't easy, but it's worth doing and worth doing well, to give American taxpayers a fair accounting of where their money is going

About the Author

[redacted] is a budget analyst in the Army National Guard financial management office who recently transferred from the 501st Military Intelligence Brigade in Korea. She wrote this article as her student paper for the Professional Military Comptroller School's Class 99-D.

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Why Wasn't I Referred?

Career program accomplishment rating

Accomplishment raters reviewed narratives for ***over 50 CP-10*** careerists. We now have ***317*** careerists eligible for referral through Easy ACCES.

This number is up from ***217*** in May 1999. There are still several hundred who are only partially registered—and who are *not* being considered for promotion to GS-12~15.

Requests for referral lists come in every week. We've issued more than ***40*** lists since the beginning of the year.

If you submitted narratives for the August 1999 panel, check your referral status in Easy ACCES.

The Registration Status screen tells you if you are eligible.

If you see that you are not, scroll down and click on the "incomplete" button to view the reasons.

[Note: Although this article has specific references to a different career program than CP 11, most of the material, the questions and the issues are similar to ones we experience. The Civilian Personnel Administration Career Program (CP 10) kindly consented to share this information and insight with us. The **CP 10 unique** information is shown in ***bold italics*.]**

The two most common reasons for being ineligible for referral are:

(1) lack of supervisor and reviewer ratings on the knowledge and ability elements and/or,

(2) a mismatch between referral desires and geographic availability.

If you are ineligible because your supervisor or reviewer ratings are incomplete, please tell them they need to act.

Supervisors and reviewers are responsible for providing timely ratings.

If you are ineligible because of a mismatch between referral desires and geographic availability, then *you* need to act.

You must reconcile your entries on Part B, Referral Desires, with those shown on the geographic preference screens (DA Form 4338-R).

On Part B, you choose, by job category and grade level, the kinds of positions for which you want to compete. On the geographic preference screens (DA Form 4338-R), you choose the locations and grade levels in which you are interested.

To prevent a mismatch, the *grade level entries* you make in Part B and on the DA Form 4338-R *must be compatible. [Ed. Note: Points below are edited for CP-11.]*

- Referrals in CP-11 start at the GS-12 grade level. Do not enter referral desires for GS-11 on Part B.
- If you are a GS-11 registrant, check only higher-grade blocks on Part B. Do not show availability for lower grade or same grade on the geographic preference screens.
- GS-12s may designate referral desires and availability only for same or higher-grade positions.
- Only GS-13s and 14s may designate referral desires and geographic availability for lower, same or higher grades.
- GS-15s may designate only lower or same grade.
- If you indicate on Part B, Referral Desires that you want consideration only for higher grades, *do not* indicate availability for same grade positions on any of the geographic preference screens.
- If you wish to be referred for same or lower-graded positions, you must indicate which categories of jobs you wish to be considered for at the same or lower grade on Part B. You also must show which locations you wish to be considered for at the same or lower grade on DA Form 4338-R.
- Finally, carefully mark your geographic preference block.

We're striving for maximum possible

registration to enable us to provide selecting officials with the best possible referral lists—and we need your help to do it.

"What's my ACCES referral score?" That depends. No one really has a single referral score.

Each request for an ACCES referral list includes the knowledges, skills and abilities or KSAs for the position.

Core KSAs for each job category (e.g., Budget Analyst, Accountant) are predetermined by the FCR and must be used; the selecting official may select *supplemental* KSAs that are needed for the particular position.

Why not just check everything? Easy ACCES works best for all when registrations are accurate and lists are not clogged with careerists who are not serious candidates for the job.

Each of these KSAs is assigned a weight (from one to five) by the selecting official.

So the criteria for any given position are usually different from all others.

And your referral score will depend on what KSAs are used.

Your ACCES referral score is made up equally of:

- *Your self-rating of knowledges*
- *Management's rating of knowledges*
- *Management's rating of abilities*
- *Panel raters' assessment of your accomplishment narratives on five abilities.*

If you have an accomplishment rating that doesn't reflect your latest promotion, several recent awards or significant education and training, and you want to improve your standing, consider submitting new narratives.

This can be done and submitted on line in Easy ACCES at: http://cpol.army.mil/ezacces/eahome1.html.

Why Wasn't I Referred?

If you're an active registrant in Easy ACCES and are wondering why you didn't make a particular referral list, there could be several reasons.

Openings at many locations are very competitive.

If you didn't make the list, it's likely that your score was below the cut-off line.

However — double-check your registration to be sure you didn't screen yourself out.

The following are used in Easy ACCES:

Job Categories

CP 11 has many different job categories in Part B, including 505, three different kinds of 501 and many different series for Cost Analysis. Pick the categories and grade levels for which you qualify and are interested. You won't be considered for any others.

Location

Location, location, location. Be realistic about where you'd actually like to work. Check the blocks for locations in which you'd really accept a job if offered. We won't bother you with those pesky referral notification letters for places you have no interest in.

Grade Level

Two things to be mindful of here. First, register at your current *permanent* grade in Part A.

If you're on a temporary promotion to GS-13, for example, and you register as a 13 with referral desires to "higher grade," you won't be considered for any GS-13 positions.

Second, make sure your grade level desires are correct for each location you select and are consistent with your Part B Referral Desires.

Why not just check everything?

Easy ACCES works best for all when registrations are accurate and lists are not clogged with careerists who are not serious candidates for the job.

With an "Interested and Available" response rate of under 25 percent for most referrals, it's clear that there's too much "just check everything" occurring.

Again, please be realistic with your referral desires; you're competing with your peers for a valuable space on a list.

A final note

When your supervisor or reviewer changes, remember to change your Easy ACCES registration to reflect the new name and email address in Part A.

-- RM

PERSPECTIVES

OFFICE, ASSISTANT SECRETARY OF THE ARMY (FINANCIAL MANAGEMENT & COMPTROLLER)

The following sections were written by different OASA(FM&C) deputies. Not every deputy will provide input for this feature.

Budget Perspective

by [redacted]

My two-year tenure as the Deputy Assistant Secretary of the Army for Budget has been a challenge but also a source of much satisfaction. Together we have faced a variety of challenges in Army financial management, and we have done great things for our Army. I have communicated with you on various budget and resource management issues. This final Perspectives article, however, will have a different tone. As I prepare to retire from a 34-year military career, I want to share some thoughts.

With the infusion of information technology, we have made great strides in streamlining processes, modernizing systems and building better products. We have observed transformational change and growth in our systems. Our present system of knowledge is here to stay. Our enhanced technology knowledge allows us to better analyze and defend our valuable and limited Army resources. It has allowed us to do more with less. However, this alone will not solve all of our problems nor meet our total needs. Our most important resource remains our people. The success of tomorrow's Army depends on how well we train, develop and manage our workforce.

It is important for all of us to understand that what we do is driven by the quality people in the Army. We are a total force of quality soldiers and civilians. Respect, trust, integrity, teamwork, leadership and continuing professional development are what we look for and need in our work force. Good teamwork is the key to success. Smart team players trust and support each other. They are innovative, because they are focused on a shared common vision. Seldom is success the result of one individual's effort. To quote a good friend, "We can do a lot together if it is not important who gets the credit."

We need to be looking forward. Unfortunately, we often have tended to drive into the future while looking in the rearview mirror. We must continue to leap into the future, embrace positive change and support our leaders. Our natural resistance to change is greatly eased when we have mutual trust in one another and in the Army.

Our national security business is important, and we cannot afford to fail. We need to develop winning solutions at all levels. If we fail, our nation will pay an unacceptable price. The result of our team effort is the annual submission of our budget. We each play a key role in the preparation, submission, justification, appropriation and execution of the Army's budget. When the adjusted funding amount goes to the commands, we expect they will adjust spending priorities, accept the budget and live within it. We cannot execute any budget with the notion that more will be forthcoming. One truism of resources is that there are never as many as we would like.

The basic key to a quality workforce is our ability to attract good people to government service. Once we acquire them, we have a good system for developing our commissioned and noncommissioned officers, as well as our civilians. Each person needs to accept personal responsibility for his or her own professional development. We need to continue emphasizing and supporting the education and training of our workforce. In this realm, we should take advantage of membership benefits offered by professional organizations.

The American Association for Budget and Program Analysis, the Association of Government Accountants and the American Society of Military Comptrollers are three top-level non-profit educational and professional associations of civilian and military federal financial and resource managers. ASMC in particular focuses on comptrollership in the Department of Defense and the U.S. Coast Guard. The society promotes education and training of its members and supports the development and advancement of the profession of military comptrollership. At the urging of its members, ASMC is developing a DoD unique certification program, the Defense Financial Management Certification or DFMC. I see this becoming the coin of the realm for future resource management personnel.

As I move on, I want to share a quote by Gen. Sir Archibald P. Wavell which I believe applies to all of us: "(A general) must have 'character,' which simply means that he knows what he wants and has the courage and determination to get it. He must have a genuine interest in, and a real knowledge of, humanity, the raw materials of his trade; and, most vital of all, he must have what we call the fighting spirit, the will to win."

It has been my deep honor—and pleasure—to have served you these past couple of years as well as throughout my active military career. I know you will carry the torch well into the future. I wish you well.

Databased Accounting Reconciliation System

by Ernest J. Gregory

While we await the development and fielding of the Defense Joint Accounting System, our financial managers must use existing tools for joint reconciliation efforts. To aid in this effort, we've recently developed a dARS training CD-ROM which provides our budget analysts and financial managers much-needed dARS training as well as joint-review resources. The CD-ROMs are being sent to commands supported by the standard Army finance system or STANFINS for distribution to subordinate commands. Here is what's on them:

The first half of the dARS/joint-review resource CD-ROM includes a joint review knowledge quiz and provides joint review references. The quiz either confirms that the user has a good knowledge base for the joint review accounting procedures, or it guides the user toward information that may be useful in building a good accounting background for the joint review.

The joint review references section provides manuals, regulations and information papers that have pertinent background information. Manuals include the latest dARS version 9.5 and program, the accounting transaction ledger archival system, or ATLAS, Dataquery for Defense Finance and Accounting Service customers, the databased commitment accounting system or dbCAS, the unmatched disbursement, or UMD reconciliation system, and the STANFINS user manual.

Regulations include Army Regulation 37-1, DFAS-IN 37-100-99 and Volume 3 of the DoD Financial Management Regulation. The joint review information papers include information on quarterly reviews, the non-stock fund orders and payables or NSFOP file, expenditure type action codes, quarterly reviews and a comprehensive glossary of financial management terms and abbreviations.

The dARS utility provides an automated means for making input and corrections found during joint reviews, while minimizing errors that can be introduced through the manual re-keying of data. The dARS portion of the CD-

ROM includes four sections: dARS key features demonstrations, dARS help, dARS exercises and a dARS post-training quiz. The dARS key feature section demonstrates key features of dARS used to make corrections or adjustments to accounting records. The four demonstrations show how to upload NSFOP, deobligate funds, generate UMD error reports and correct UMD errors.

The dARS help section highlights specific aspects of the five dARS help screens and includes specific instruction on navigation and dARS short-cut keys. The dARS exercise section provides 10 simulated dARS exercises for adjusting obligations and correcting unmatched disbursements. The 18-question dARS post-training quiz, the last dARS section, helps users evaluate how well they learned the topics covered in the dARS training.

If you have comments or questions about this tool or have suggestions on how we can improve the product, please contact my action officers at asafmfao@hqda.army.mil.

Single Stock Fund

by [redacted]

Single stock fund, or SSF, is an Army initiative to reengineer logistics and financial processes throughout the Army to make them more efficient. To understand the need to do this, one must first understand the Army working capital fund or AWCF and how business is done today.

The AWCF is working capital that enables the Army to buy or repair secondary items – components and reparables of weapon systems – that are needed by the field.

The fund is replenished from sales of goods and services. The funds that units buy goods with are in part generated from cost factors created by the Army Cost and Economic Analysis Center. AWCF's four parts are depot maintenance, information management, ordnance and supply management Army, or SMA. The SMA component is the focus of SSF reengineering efforts.

The SMA consists of a wholesale and a retail stock fund. While both funds allow stockage of items in anticipation of requirements without direct appropriations, each has a special purpose. Army Materiel Command, AMC, the Army's logistics provider, manages the wholesale stock fund to complement its stock, store, and issue mission for major Army commands. The commands in turn manage retail stock funds to meet demands from installations and field units. Command funding is based on cost factors developed from wholesale demands.

While this separation between wholesale and retail systems has served the Army well in the past, force structure and technology changes have increased the need for speed and agility.

Business as usual has become cumbersome, unwieldy and costly. Layering of the stock fund significantly reduces efficiency. It results in sub-optimized supply and repair requirement decisions, accumulation of excess inventories and duplication of workload and management infrastructure.

One specific problem with two funds has been the differing credit rates for turn-in of serviceable and unserviceable items at the wholesale and retail levels. The problem is resolved by fixing credit for serviceable and unserviceable items for the year of execution. That in turn required a change in the way operating tempo or OPTEMPO cost factors were computed.

An SSF campaign plan, approved in November 1997 by the Army's vice chief of staff, has served as the blueprint for current efforts. It calls for implementing a single AWCF-SMA account, in accordance with the following event-driven schedule:

· Milestone 0 (Oct 1997 – Sept 1998) was the initial planning phase for the SSF.
· Milestone 1A, a transitional step added by the Army deputy chief of staff for logistics or DCSLOG as a means for accelerating SSF implementation, began last October. It set the conditions for SSF by integrating financial management actions of the retail stock fund elements with the wholesale stock fund.

Starting this coming October, the Army will demonstrate its ability to link existing wholesale and retail automated systems to create a single point of sale, one point of credit, and an integrated requirements determination process. The retail-level standard Army retail supply system and the wholesale-level commodity command standard system information technology systems will remain in place and be linked using software interfaces.
· Milestone 1 will build on the foundation of milestone 1A and merge existing wholesale and retail (theater, corps and installation) AWCF-SMA inventories into a single fund.
· Milestone 2 will extend the scope of AWCF-SMA operations by incorporating stocks above the division authorized stockage list or ASL level.
· Milestone 3 will extend the fund through the division ASLs.

Current intent is to implement SSF milestones 1 and 2 concurrently, beginning in October 2000, and milestone 3 a year later.

The above schedule required CEAC to incorporate SSF methodology into the development of cost factors for the next five-year budget plan or mini-POM for years 2001-2005. CEAC changed the entire process for creating command cost factors to fund the OPTEMPO budget. The demand database changed from wholesale demands only to wholesale demands and general support and retail repairs. Procedures were implemented so that double counting of demands was eliminated. Credit tables for serviceable and unserviceable turn-ins were incorporated into the cost factor development. This whole process was done along with normal database updates so that SSF could be integrated into the 2001-2005 mini-POM. The process was done in steps so that we were sure the changes made did what was expected. When the results were unanticipated, we examined our process and made corrections.

We have presented our process and results to Forces Command, Training and Doctrine Command and the Army National Guard as well as the Army staff and the office of the Secretary of Defense.

Questions, comments and challenges have been readily fielded to reassure everyone that we have included all valid demands in the database. All concerns are being addressed and, where valid data was provided, changes were incorporated into the cost factors for the budget execution submission run.

At end-state, SSF will create a virtual, single inventory for the Army, with much more flexibility to optimize the management of Army-owned assets. It will also integrate maintenance capability from our depots down through installation directorates of logistics. SSF is a true revolution in how the Army conducts business. Starting in its current legacy systems and ending when the global combat support system–Army or GCSS-A is in place, it will result in an unprecedented top-to-bottom integration of Army logistics and financial practices.

Resource Management

Guidelines for Authors

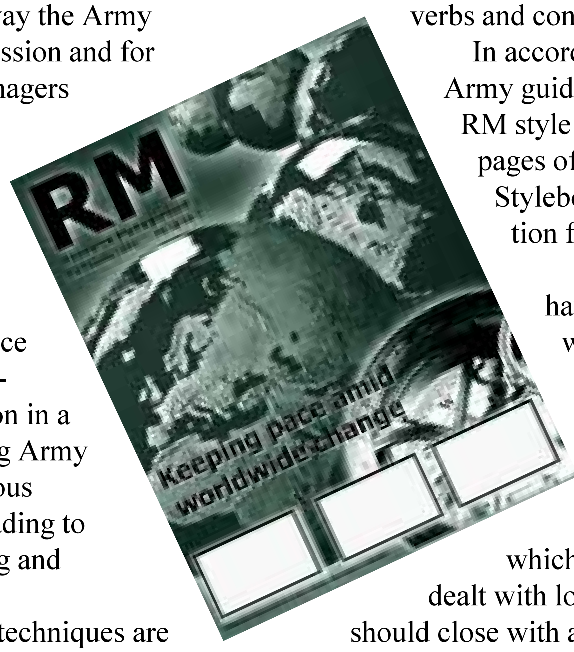
Audience

Primarily professional resource managers within the Department of the Army. Articles target RM careerists at all levels.

Readers include generalists and specialists (from battalion commanders to budget analysts, as well as military and civilian staff working with industry).

Content

All aspects of resource management that influence the way the Army accomplishes its mission and for which resource managers and comptrollers have direct responsibility.



Articles should stimulate thinking about matters of importance to managers and encourage participation in a forum for subjecting Army doctrine to continuous critical analysis, leading to better understanding and improvement.

New ideas and techniques are of particular interest.

RM covers a variety of topics, including fiscal policies relating to management of manpower, facilities, information, time and materiel. Any currently significant subject related to resource management is appropriate.

Historical articles must draw a parallel or illustrate a lesson for current and future use.

If you intend your article to coincide with an anniversary or event, it must be submitted no less than four months in advance. We attempt to work 90 days in advance of publication - if you have an article for the 1st quarter (spring) issue, we should have it before January.

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We prefer concise, direct language; in other words, write clearly and precisely. Address the specific rather than the general.

Use the active voice; avoid passive verbs and construction.

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Write with enthusiasm! Be natural. Write as you speak, not as if you were writing regulations or official correspondence.

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